

H.J. BAKER & BRO., INC.

IMPORTERS - EXPORTERS

Organic and Chemical Fertilizer Materials

Animal Feeding Supplements

Oils, Fats & Meals

Sulphur

ABBEVILLE
ALBERTVILLE
ATLANTA
CHICAGO
FOREST
FORT SMITH
FRESNO
LAGUNA HILLS
LAMAR
LITTLE ROCK
LOS ANGELES
NIXA
PETALUMA
SANFORD
STOCKTON
TRAWICK
WESTVILLE

228 SAUGATUCK AVENUE
WESTPORT, CONNECTICUT 06880

TELEPHONE
(203) 682-9200

FAX: (203) 227-8351
WEBSITE: WWW.BAKERBRO.COM

December 15, 2011

Brian Carr, Esq.
Assistant Regional Counsel
New York/Caribbean Superfund Branch
Office of Regional Counsel
U.S. Environmental Protection Agency, Region II
290 Broadway, 17th Floor
New York, New York 10007-1866

Re: Gowanus Canal Superfund Site, Brooklyn, Kings County, New York Response to Request for Information to H.J. Baker & Bro., Inc.

Dear Mr. Carr:

This responds to your September 19, 2011 email requesting additional information regarding the relationship, if any, between H.J. Baker & Bro., Inc. that was incorporated in New York in 1959 and any business or businesses that might have operated at the "Smith/Huntington/7th Street facility" in the Gowanus Canal area at any time during the period from the 1850s to about 1895 (the "Facility"). As I am sure you appreciate, it is quite difficult to piece together what happened over the course of more than 100 years. However, we have been able to find the following information, some of which has already been presented to you, beginning with the December 1899 sale of the real property and business at the Facility.

By deed dated December 8, 1899 and recorded on December 12, 1899 in Kings County Liber 14, page 367, Henry J. Braker, William D. Faris and Fanny B. Faris conveyed the Facility to The American Agricultural Chemical Company. Please see **Exhibit A** to my September 15, 2011 letter to you, a copy of which is attached for your convenience.

Exhibit B to this letter contains various articles regarding The American Agricultural Chemical Company ("TAACC" or "AGRICO"). For example, the third page of the first document in Exhibit B refers to TAACC's purchase of the property and business of H.J. Baker & Brothers at Brooklyn, NY and known as *East India Chemical Works*. The second document in Exhibit B is a copy of available pages of the *1899 Season Chemical Manures* catalogue. The middle panel of that second document in Exhibit B depicts the *East India Chemical Works* at the Facility, the property and business of which were sold/merged into TAACC



ESTABLISHED 1850

in 1899. The third document in Exhibit B is a May 23, 1899 New York Times article entitled *Fertilizer Companies Unite*. The first paragraph of that article states,

The consolidation of twenty-three leading fertilizer companies of the Country has been completed. The new corporation will be known as the American Agricultural Chemical Company, and it will obtain a special charter under the laws of Connecticut. It has an authorized capital stock of \$40,000,000 divided into \$20,000,000 of 6 per cent cumulative preferred and \$20,000,000 of common stock, of which \$17,000,000 of each will be issued at this time.

The article goes on to note that "Among the concerns included in the combination are H.J. Baker & Brother, Brooklyn". The Federal Trade Commission's August 19, 1916 *Report on the Fertilizer Industry* that may be found at the URL presented in the footnote¹ contains detailed information about the formation and early history of TAACC (the "FTC Fertilizer Industry Report"). On page 193 of the *FTC Fertilizer Industry Report* it states,

The following is a list of constituent companies of The American Agricultural Chemical Co. acquired prior to 1902, as shown by the prospectus of the company, 1899, New York Stock Exchange listing statement, 1901 and Moody's Manual, 1902 ... East India Chemical Works (H.J. Baker & Bro.), Brooklyn, NY.

Page 198 of the *FTC Fertilizer Industry Report* states that "The following list shows the names and numbers of brands registered in New York in 1913 by The American Agricultural Chemical Co. ... East India Brands 26".

ConocoPhillips' Response 2 in its February 10, 2010 letter to you provided the following information regarding TAACC,

ConocoPhillips was formed in 2002 with the merger of Conoco, Inc. and Phillips Petroleum Company. Conoco, Inc. was successor-in-interest to Continental Oil Company. Continental Oil Company officially changed its name to Conoco, Inc. in 1979. Continental Oil Company ("Conoco") acquired the business and assets of The American Agricultural Chemical Company ("TAACC"). Subsequently, in 1965, the TAACC business was merged into Conoco and continued operations under a Conoco Division by the name of Agrico Chemical Company. The Williams Company, Inc. ("Williams") acquired Agrico Chemical Company from Continental Oil in 1972.

1

http://books.google.com/books/download/Report_on_the_fertilizer_industry.pdf?id=7LxJAAAAMAAJ&hl=en&capid=AFLRE73TbeP35gA6_oyqQ1Z_eV9PrL67yeL3EA8v7_EyPa7Y6wpOZhDVCXU8AcPzRL2nRZpfPN1j7yMomdsHPrOhMacOE7C2zA&continue=http://books.google.com/books/download/Report_on_the_fertilizer_industry.pdf%3Fid%3D7LxJAAAAMAAJ%26output%3Dpdf%26hl%3Den

ConocoPhillips' February 10, 2010 response #2 did not state when Continental Oil Company acquired TAACC and did not provide the acquisition documents and later merger documents to you. I believe that Continental Oil Company would have acquired TAACC sometime after late 1930 as publicly owned shares of TAACC were still outstanding at that time. One would typically expect large and sophisticated companies such as ConocoPhillips and Williams to have acquired and retained all historic, organizational and acquisition documents relating to Continental's acquisition and later merger of TAACC into Continental and all the documents relating to the 1899 and subsequent transactions that created TAACC. I note that page 10 of ConocoPhillips' February 10, 2010 letter states that Mark A. Aebi, Manager, Legacy Issues—RM&R, ConocoPhillips Company, Bartlesville, OK "has knowledge of TAACC and its operations". I note also that the Bartlesville, OK was the location, or in the vicinity of the location, where Continental Oil ("Conoco") was headquartered and is therefore a likely repository of such legacy records. I suspect that these historic documents would show that TAACC was the sole successor in interest to the business operated under the H.J. Baker name at the Facility and that Continental Oil Company ("Conoco") and/or Williams and/or TAACC, as it exists today, is/are the sole successor(s) in interest to the *East India Chemical Works* business that operated at the Facility at the time of the 1899 transaction with TAACC.

Exhibit C is all that H.J. Baker & Bro., Inc. has been able to find regarding the 1899 sale to TAACC. The Exhibit C photocopy was created years ago. It does not show completely the end of the final sentence on the first page and does not include any attachment despite the staple indication at the top of the page and the apparent reference to "[as per] memorandum hereto" in the last partially visible line. Nevertheless, the visible portions of Exhibit C show that F.M Smith ("Frank Morse Smith") received 6 shares of preferred stock and 6 shares of common stock of The American Agricultural Chemical Co. given in exchange for \$600 worth of F.M. Smith's interest in the combined 1899 profits of H.J. Baker & Bro. and the Baker Castor Oil Company. Based on the above information the evidence is that the 1899 transaction was a consolidation or merger of equity interests in the business at the Facility into TAACC. Based on the above information H.J. Baker & Bro., Inc. believes and takes the position that TAACC and its Conoco, Williams and other successors, if any, and not any entity that has used the H.J. Baker name, is/are the sole legal successor(s) to any business that might have been conducted under the name H.J. Baker at the Facility before being consolidated into TAACC in the 1899 transaction.

While we believe that the above information should be sufficient for EPA to pursue TAACC and its Conoco, Williams and other successors, if any, we have nevertheless sought to see what we can determine about the subsequent ownership history of the various businesses that have operated under an H.J. Baker name since the 1899 TAACC transaction. TAACC used the *East India Chemical* brands for its products for many years after the TAACC transaction and apparently continued dealing in the same products at the Facility for about 12 years after the 1899 transaction. It appears that TAACC did not use the H.J. Baker name and that various businesses that operated without any connection to the Facility or the business conducted there did use some variation of the H.J. Baker name during most if not all of the period from 1899 to the present.

According to The New York times article published on September 23, 1908 and transcribed in pertinent part in **Exhibit D**, for some time before the death of Mr. Henry J. Braker on August 31, 1907 Mr. Frank Morse Smith and he were the only partners in a business that used some version of the name H.J. Baker. Since Mr. Braker and Mr. Smith were the only partners at the time of Mr. Braker's death, their partnership was dissolved as of the date of Mr. Braker's death on August 31, 1907.

We have not been able to find any information regarding sole proprietorships or other forms of business that might have used some version of the name H.J. Baker during some or all of the period from as early as August 31, 1907 to July 22, 1924 except for the following: **Exhibit E** contains certain papers filed in the ESTATE OF FRANK MORSE SMITH – FIRST DISTRICT OF NEW YORK, Supplemental Schedule D-2, Interest of decedent in the partnership of H.J. Baker & Bro. sometime after the March 22, 1929 death of Frank Morse Smith. The first page of Exhibit E discusses the history of two H.J. Baker & Bro. partnerships in which Mr. Frank Morse Smith was a partner in the five years before his death on March 22, 1929, as follows:

The partnership of H.J. Baker & Bro., of which the decedent [Frank Morse Smith] was a member at the time of his death, was organized in July, 1924, as of July 22, 1924. The partnership succeeded the partnership of H.J. Baker & Bro., of which the decedent, Frank Morse Smith, and William H. Gelshenen were the sole partners. That partnership was dissolved on July 22, 1924, by the death of William H. Gelshenen, and the partnership H.J. Baker & Bro., of which the decedent was a member at the time of his death, was organized immediately after the death of William H. Gelshenen.

The agreement for the new partnership that was signed after, but as of, the date of death of William H. Gelshenen is attached as **Exhibit F**. As stated on the first page of Exhibit F the former partnership between Mr. Smith and Mr. Gelshenen was dissolved by the death of William H. Gelshenen on July 22nd 1924 and that “the parties hereto desire to form a new partnership under the terms and conditions hereinafter set forth. Mr. Smith contributed his capital interest in the assets [does not say liabilities] of the dissolved firm to the new firm. The other partners apparently contributed cash. The second paragraph of the December 31, 1925 renewal of the new partnership agreement stated that a particular liability arising from a contract during the period of existence of the Smith-Gelshenen partnership would not be assumed by the new partnership because at the time of formation of the new partnership there was no suggestion of any such liability and none of the present partners then had any reason to believe or even to suspect that any such liability existed or might exist. While it is not shown whether the new partnership accepted any liabilities of the Smith-Gelshenen partnership, this statement in the Renewal Agreement makes clear that the new partners did not intend that their partnership would assume any unknown liability of the Smith-Gelshenen partnership. While we do not believe that the Smith Gelshenen partnership had any successor liability relating to the Facility, the partners of the new July 22, 1924 partnership clearly did not intend to acquire or be responsible for, and refused to acquire or be responsible for, unknown liabilities of the Smith-Gelshenen partnership.

In the first and second lines on the third page of **Exhibit E** is the following statement regarding the H.J. Baker & Bro. partnership, of which Frank Morse Smith was a member immediately before his March 22, 1929 death: “The partnership was in fact terminated by the death of Frank Morse Smith ...”. The remainder of Exhibit E focuses on adjustments to be made in liquidation of that partnership, which is referred to in Exhibit E as the “old firm”. For example, page 12 of Exhibit E contains references to “Henry V. B. Smith the liquidating partner of the old firm” and to the “old firm in liquidation”. The first line on page 13 of Exhibit E refers again to the “old firm in liquidation”. We have also found other documentation proving the liquidation of the old firm including the *RELEASE OF HENRY V. B. SMITH AS EXECUTOR OF THE LAST WILL AND TESTAMENT OF FRANK MORSE SMITH WITH RESPECT TO ALL MATTERS EMBRACED IN HIS FINAL ACCOUNT, HERETO ANNEXED, DATED JULY 14, 1943* that was filed in

Surrogate Court, Kings County, In the Matter of The Settlement of the Final Account of Henry V. B. Smith as Executor of the Last Will and Testament of Frank Morse Smith, deceased (the "Final Account"). As in the above examples, one of the main Estate issues that the Final Account addresses is the final accounting of income, losses and expenses relating to "H.J. Baker & Bro., in liquidation," and the distribution of the net assets of such liquidation to heirs of Mr. Frank Morse Smith. We have numerous pages of Frank Morse Smith estate papers that refer to "H. J. Baker & Bro., in liquidation" if you need to see them. This liquidation broke the chain of successor liability, if any, between any business using the name "H.J. Baker & Bro." before March 22, 1929 and any business using that name thereafter. Without the availability of complete records we cannot know for sure how many different partnerships, sole proprietorships or other forms of business that used some version of the name H.J. Baker have come and gone over the years since 1899, but it appears from the attached records that we have found that former partnerships were liquidated, dissolved or otherwise terminated in 1929, 1924 and 1907. Our view is that these events were legally sufficient to break any chain of supposed successor liability, if any, relating to the Facility.

Immediately before the close of business on October 31, 1959, Henry V.B. Smith, Harold S. McCormick, J. Morse Smith and Rutger M. Smith were the four general partners in a business named "H.J. Baker & Bro." (the "1950s Partnership"). Pursuant to an Agreement dated as of October 31, 1959 between the individual owners of interests in the 1950s Partnership and a Bill of Sale (**Exhibits G and H**, respectively to this letter) the owners of the 1950s Partnership interests sold their individual partnership interests and in some cases equity interests in other businesses to H. J. Baker & Bro., Inc., a New York corporation that was incorporated on or about October 26, 1959. Neither the 1950s Partnership, the partners in the 1950s Partnership nor any of the other entities, the equity of which was transferred in this October 31, 1959 transaction, had any property interests in or business activities at the Facility.

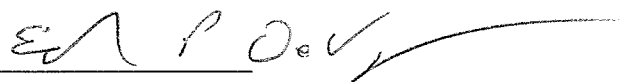
In making the sales to H.J. Baker & Bro., Inc., a New York corporation, referred to in the immediately preceding paragraph of this letter, the individual owners of interests in the 1950s Partnership agreed under Section 9 of Exhibit G to retain the 1950s Partnership "liabilities that exceed the liabilities of the Partnership reflected or reserved against in the balance sheet of the Partnership as of October 31, 1959, prepared by the Partnership's regular independent auditors" (the "Excess Liabilities"). **Exhibit I** contains a copy of that balance sheet. Per the numbers presented on that balance sheet retained Excess Liabilities were all liabilities that were not specified under the Liabilities Section of the Exhibit I Balance Sheet of October 31, 1959. Clearly this October 31, 1959 transaction was not a simple acquisition of the 1950s Partnership by, and did not include any assumption of all liabilities of the 1950s Partnership by, H.J. Baker & Bro., Inc., a New York corporation.

On or about August 26, 1994, H. J. Baker & Bro., Inc. was incorporated in Delaware. **Exhibit J** is its Certificate of Incorporation. Thereafter, pursuant to merger documents filed in Delaware on August 2, 1995, H.J. Baker & Bro., Inc., the New York corporation, merged into H. J. Baker & Bro., Inc., the Delaware corporation. **See Exhibit K.** H. J. Baker & Bro., Inc., a Delaware corporation and the survivor of that merger, is the entity to which EPA sent its March 4, 2011 *Notice of Potential Liability and Request for Information* letter. H.J. Baker & Bro., Inc., a Delaware corporation, never had any property interest in, or business activities in, the Facility and as clearly shown above does not have any successor liability relating to the Facility and its operation in the last half of the 19th Century.

Tracking down the above information has involved a great deal of time and effort but clearly shows that there cannot be any successor liability legally attributable to H.J. Baker & Bro., Inc., a Delaware corporation, relating to the Facility and its operation in the last half of the 19th Century.

Sincerely yours,

H. J. Baker & Bro., Inc.

By: 
Edgar P. DeVyllder

Its: Vice President and General Counsel



H.J. BAKER & BRO., INC. RESPONSE – EXHIBIT A

May 24, 2011

VIA FEDERAL EXPRESS

Ed Devylder, Esq.
H. J. Baker & Bro., Inc.
228 Saugatuck Avenue
Westport, CT 06880

RE: **Our File SS110184**
Brooklyn, New York

Dear Ed:

In keeping with your request, I have attached photocopies of the following record documents.

- 1) Deed by Conrad Braker, Junior, as executor of the estate of Frances Braker – to – Henry J. Braker and William D. Faris, dated May 4, 1892 and recorded May 13, 1892 in Kings County Liber 2115 page 364.
- 2) Deed by Henry J. Braker, William D. Faris and Fanny B. Faris – to – The American Agricultural Chemical Company, dated December 8, 1899 and recorded December 12, 1899 in Kings County Liber 14 Page 367.

These papers represent the best copies that our examiner could produce from the records. Feel free to call me with any questions.

Yours truly,

James B. McEvoy

May 24, 2011

VIA FEDERAL EXPRESS

Ed Devylder, Esq.
H. J. Baker & Bro., Inc.
228 Saugatuck Avenue
Westport, CT 06880

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These papers represent the best copies that our examiner could produce from the records. Feel free to call me with any questions.

Yours truly,

James B. McEvoy

5/4/1892

W. J. Denton & Co. in South Bay of N. York City
and in the County of Richmond, New York, by J. B. Smith and
J. C. Baker, Executors and Administrators of his last
will and Testament of Conrad Baker Junior, as
of the County and State of New York deceased and
his Son, J. C. Baker, in due legal form of the first
part of the said deed by virtue of the power and authority
to them given in and by the said last Will and Testa-
ment and in consideration of One dollar lawful
money of the United States paid by the parties of
the second part do hereby grant and release unto
the said parties of the second part the sum of
ten and eleven acres more or less. All that certain
plot or block of ground situated lying in the City of
Brooklyn, County of Kings and State of New York
and bounded and also entered as follows: Begin-
ning at the Northeastly corner of Smith and
Washington Street, thence running Eastward along
Washington Street Four hundred and twenty five
feet to Gowanus Canal: thence Northwesterly along
Gowanus Canal Two hundred and thirty three feet
and six inches half (6 1/2) inches: thence running
Northwesterly Four hundred and seventy five feet
and nine inches to Smith Street at a point
Northwesterly from the place of beginning and
thence running Southerly along Smith Street
Two hundred and twenty five feet six inches
and eight inches of an inch to the place of begin-
ning And also in the right title the interest of
the parties of the first part hereunto and to
Washington Street are the right title and
interest of the parties of the first part hereunto
as shown upon the map of Elizabeth Wardman
by John C. Baker, dated the 10th day of January
last and filed in the office of the Secretary of
State at Albany, New York under the name of
Elizabeth Wardman's Map of the Borough of Brooklyn
County of Kings State of New York

[illegible]

[illegible]

Rec'd 5/13/18

of the proof or acknowledgment of the annexed instrument and
therein written was at the time of taking such proof or
acknowledgment a Notary Public in and for the County of
New York dwelling in the said County commenced his
oath and duly authorized to take the same and further
that I am well acquainted with the handwriting of such
Notary and verily believe that the signature to the said
certificate of proof or acknowledgedgment is genuine and
testimony whereof I have herein to set my hand and official
the seal of the said County and County the 12 day of Dec
1899 Wm. Solmer clerk

The land affected by this instrument lies in Section
in block 393 on Land Map of the County of Kings

Recorded December 12, 1899 at 45 mins past 10 Am

U. S. D. R. S. } This Indenture made the eighth day
100 Dollars) of December in the year eighteen hundred
and ninety nine Between Henry J. Braker (unmarried
of the Borough of Manhattan City of New York and
William D. Harris and Harry B. Harris wife of
William D. Harris both of the Borough of Brooklyn
City of New York parties of the first part and the
American Agricultural Chemical Company a corporation
organized under the laws of the State of Connecticut
party of the second part Witnesseth that the said party
of the first part in consideration of One Dollar and
other valuable considerations lawful money of the
United States paid by the party of the second part
do hereby grant and release unto the said party
of the second part its successors and assigns forever
all that certain plot piece or parcel of land
situate lying and being in the Borough of Brooklyn
of the City of New York County of Kings and State
of New York bounded and described as follows to wit the
ground at the corner formed by the intersection
of the northerly side of Huntington street with the
easterly side of Smith street running thence Easterly
along the northerly side of Huntington street four
hundred and twenty feet to Gowanus Canal thence
northerly along Gowanus Canal two hundred and thirty
two feet six and one half inches to the center
line of Lynch street as the same is laid down on
a certain map entitled Property belonging to the
estate of Jordan Coles deceased situate in the City
of Brooklyn survey June 1836 R. D. Harris and filed
in the office of the Register of the County of Kings

Best possible copy

See 2 L 141367

in April 1837 thence westerly along said centre line of
Lynch street four hundred and seventy five feet nine
inches to the Easterly side of Smith street and thence
southerly along the Easterly side of Smith street two
hundred and twenty five feet six and one quarter
inches to the corner the point or place of beginning
Also all the right title and interest of the parties
of the first part of in and to Smith and Hunt-
ington streets lying in front of and adjoining said
premises to the centre lines thereof respectively together
with the all the right title and interest of the
parties of the first part of in and to Governor Canal
and the land under the waters thereof lying in front
of and adjacent to said premises Being the same prem-
ises conveyed by Eugene R. Durfee and wife to Conrad
Broker Junior by deed dated September 15 1885 and
recorded in the office of the Register of Livingston County
on September 18th 1885 in Liber 1626 of Conveyances
page 550 together with the appurtenances and all the
estate and rights of the parties of the first part in
and to said premises To have and to hold the above
granted premises unto the said parties of the second
part their heirs and assigns forever Subject however
to the right of the said City of New York to open a street
through said property as laid down on the maps
commonly called the said and Henry Broker said William
Durfee parties of the first part do covenant with the
parties of the second part as follows First that
they and the parties of the first part are seised of
the said premises in fee simple and have good right
to convey the same and that the parties of the second
part shall quietly enjoy the said premises Third that
the said premises are free from all encumbrances ex-
cept such as are mentioned in the deed that the parties of the first
part will execute or procure any further necessary
conveyances of the title to said premises Fifth that
the parties of the first part will forever
waive the title to said premises In Witness Where-
of the said parties of the first part have hereunto
set their hands and seals the day and year first
above written Henry J. Broker &c. William J. Durfee &c.
County of Livingston State of New York ss On this ninth day of
October in the year of our Lord one thousand
eight hundred and eighty five before me the under-
signed authority came and appeared Henry J. Broker

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and William D Faris and Fanny B Faris to me personally known and known to me to be the individuals described and who executed the foregoing instrument and they acknowledged to me that they executed the same Martin B Faris Notary Public Kings Co. Best filed N.Y. Co. D.R. 10 cents 1277 State of New York County New York ss. I William Schaner clerk of the County of New York and also clerk of the Supreme Court for the said County the same being a Court of Record do hereby certify that Martin B Faris has filed in the Clerk's Office of the County of New York a certified copy of the foregoing instrument as Notary Public for the County of New York with his autograph signature and sworn statement of taking the proof or acknowledgment of the foregoing instrument duly authorized to take the same and that I am well acquainted with the handwriting of the said certificate of proof or acknowledgment and believe the same to be genuine in testimony whereof I have hereunto set my hand and affixed the seal of the County of New York this 11th day of Dec 1894

The land affected by this instrument is located in Block 473 and 475 in Town of New York of Kings

Recorded Dec 11 1894 at 4:30 PM

U.S. F.R. 3 } This Indenture made the 11th day of Dec 1894 between P. Van Dellen) of the County of Kings State of New York and the Borough of Brooklyn of the County of Kings State of New York the first part and Charles Wright of the County of Kings State of New York the second part their heirs and assigns for ever have in full consideration of the sum of Five hundred (\$500) Dollars lawful money of the United States paid by the parties of the second part the hereby grant and convey unto the said Charles Wright and his heirs and assigns forever their heirs and assigns forever all that certain lot piece or parcel of land more lying and being in the North West 1/4 of the 3rd lot of New York bounded and described as follows to wit: Beginning at a point in the westerly line of the lot above described fifty feet from the corner of the lot above described

Author: Moody, John, 1868-1958

Subject: Trusts, Industrial

Publisher: New York, Chicago, Moody publishing company

Year: 1904

Possible copyright status: NOT_IN_COPYRIGHT

Language: English

Digitizing sponsor: Google

Book from the collections of: Harvard University

Collection: americana

Notes: List of books, articles, reviews and periodicals treating of the trust question which have been read, referred to or quoted in preparing this volume: 503-507.

~~OPEN~~ This book has an editable web page on Open Library.

American Agricultural Chemical Company.
"The Fertilizer Trust"

Incorporated under Connecticut laws by a special charter granted by the Legislature, January, 1893. The company was organized under the name of the Agawa Company under date of June 30, 1893. The charter was amended in January, 1899, and the name of the company was changed to its present title. May 26, 1899. The actual organization dates from that time.

THE LISSER INDUSTRIAL TRUSTS. 3"

After the incorporation of the company, in 1899, it acquired the entire capital stocks of the following concerns engaged in the manufacture of fertilizers and their by-products :

Alexandria Fertilizer & Chemical Company, capital stock \$25,000, located at Alexandria, Va.

Bradley Fertilizer Company, capital stock \$400,000, located at Boston, Mass., and Los Angeles, CaL

The Chemical Company of Canton, capital stock \$100,000, located at Baltimore, Md.

Cleveland Dryer Company, capital stock \$100,000^ located at Cleveland, Ohio.

Cumberland Bone-Phosphate Company, capital stock \$50>oop, located at Boothbay Harbor, Me.

Crocker Fertilizer & Chemical Company, capital stock \$400,000, located at Buffalo, N. Y.

Detrick Fertilizer & Chemical Company, capital stock \$100,000, located at

Baltimore, Md.

The Lazaretto Guano Company, capital stock \$300,000, located at Baltimore^ Md*

Liebig Manufacturing Company, capital stock \$1,500,000^ located at Carteret, N. J., and Wilmington, Del.

Lister's Agricultural Chemical Works, capital stock \$600,000, located at Newark, N. J.

Maryland Fertilizing & Manufacturing Company, capital stock \$105,000^ located at Baltimore, Md.

Michigan Carbon Works, capital stock, \$600,000, located at Detroit, Mich.

Milson Rendering and Fertilizer Company, capital stock \$400,000, located at Buffalo, N. Y.

North- Western Fertilizing Company, capital stock \$250,000, located at Chicago, Ill

Preston Fertilizer Company, capital stock \$100,000, located at Brooklyn, N. Y.

The Quinnipiac Company, capital stock \$50,000, located at Boston, Mass.

Read Fertilizer Company, capital stock \$100,000, located at Brooklyn, N. Y.

The Tygert-Allen Fertilizer Company, capital stock \$150,000, located at Philadelphia, Pa.

Williams & Gark Fertilizer Company, capital stock \$300,000, located at Carteret, N. J.

The Zell Guano Company, capital stock \$250^000, located at Baltimore, Md.

L. B. Darling Fertilizer Company, capital stock \$200,000 located at Pawtucket, R. L

Nickerson Fertilizer Company, capital stock \$40,000, located at Easton, Md.

Empire Carbon Works, capital stock \$40,000, located at East St. Louis, Ill

Susquehanna Fertilizer Company, capital stock \$100,000, located at Baltimore, Md.

MS THE TRUTH ABOUT THE TRUSTS

Suffolk Fertilizer Company, capital stock \$50»000, located at Promised Land, L. L

Sharpless & Carpenter, capital stock \$50,000, located at Philadelphia^ Pa.

Moro-Phillips Fertilizer Company, capital stock \$50,000, located at Philadelphia, Pa.

Standard Fertilizer Company, capital stock \$50,000, located at Boston^

In addition to the above plants, the company purchased the property and business of H. J. Baker & Brothers at Brooklyn, N. Y., and known as the East India Chemical Works ; of M. E. Wheeler Fertilizer Company and Packer's Company, Rutland, Vt; of the Great Eastern Fertilizer Company, New York City ; of Slingluff & Company, Baltimore, Md., and it also acquired about 1,800 acres of phosphate lands located in the State of Florida.

Subsequently the company acquired the real property and assets of all the corporations whose stock prior thereto had been purchased, with the exception of Lister's Agricultural Chemical Works, Michigan Carbon Works, North- Western Fertilizing Company, Empire Carbon Works, and Alexandria Fertilizer & Chemical Company, whose stock had already been acquired by the consolidated company as stated above.

With the exception of the real property of the companies whose stock is owned as aforesaid, and with the exception of the plant formerly operated by the Lazaretto Guano Company, all the real property of the several corporations included among the assets is owned in fee. The real property of the latter company is held under a lease peculiar to the State of Maryland, which vests in the company the right to redeem or acquire the property at the expiration of the lease, under what is known as the system of ground rent prevailing in that State.

In 1902, the company purchased the property, assets and good will of the Bowker Fertilizer Company, a Massachusetts corporation, with plants located at Brighton, Mass., St Bernard, Ohio, and Elizabethport, N. J. The Bowker Fertilizer Company was capitalized at \$1,000,000, and was the chief competitor of the American Agricultural Chemical Company. In acquiring the Bowker Fertilizer Company the company issued \$1,000,000 in preferred stock and \$500,000 in common stock.

About this same time the company acquired nearly all the capital stock of the Peace River Phosphate Mining Company, for which it paid, approximately, \$600,000 in cash.

Capital stock authorized, \$20,000,000 6% cumulative preferred and \$20,000,000 common stock. Amount outstanding, \$18,150,000 preferred and \$17,215,600 common, par value, \$100 Regular dividends of 3% have been paid semi-annually on the preferred stock since October 2, 1899.

The net profits of the company since its organization have been as follows:
13 months ended June 30, 1900, \$1,884,860; year ended June 30, 1901, \$1,059,791; year ended June 30, 1902, \$1,142,725; year ended June 30, 1903, \$1,370,005.

Number of plants absorbed 4

Percentage of entire industry controlled uncertain

Products: Chemical fertilizers, bone-black, grease, glue, gelatin - any and all other allied products. Element of Monopoly: Moderate (small tariff benefits).

Total capital issued January 2, 1904, par value, \$35,365,600; market value about \$15,110,000

ESTABLISHED

1850

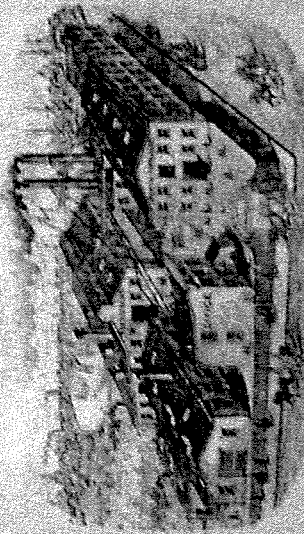
H. J. BAKER
& BRO'S
COMPLETE
CHEMICAL
MANURES.

H. J. BAKER & BRO.
MANUFACTURERS
93-95-97 WILLIAM ST. NEW YORK

FACTS FOR FARMERS
EAST INDIA CHEMICAL WORKS

FERTILIZERS.

SEASON
OF 1899

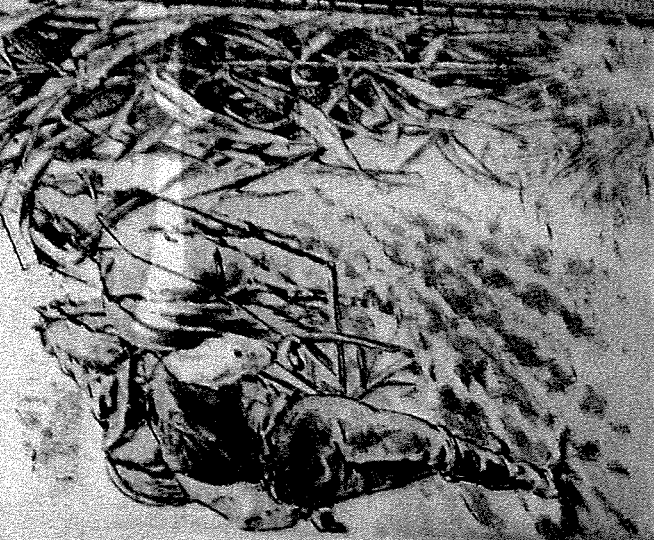


MANUFACTURED BY THE EAST INDIA CHEMICAL WORKS

H. J. BAKER & BRO.

MANUFACTURERS OFFICE 93-95-97
WILLIAM ST. N. Y.

NEW YORK



FERTILIZER COMPANIES UNITE.

New York Times (1857-Current file); May 23, 1899; ProQuest Historical Newspapers The New York Times (1851 - 2002)
pg. 1

FERTILIZER COMPANIES UNITE.

**John F. Gibbons of This City to be
President of the Combination.**

BALTIMORE, May 22.—The consolidation of twenty-three leading fertilizer companies of the country has been completed. The new corporation will be known as the American Agricultural Chemical Company, and it will obtain a special charter under the laws of Connecticut. It has an authorized capital stock of \$40,000,000, divided into \$20,000,000 of 6 per cent. cumulative preferred stock and \$20,000,000 of common stock, of which \$17,000,000 of each will be issued at this time.

Among the concerns included in the combination are H. J. Baker & Brother, Brooklyn; Crocker Fertilizer Company, Buffalo; Liebig Manufacturing Company, Carteret, N. J., and Wilmington, Del.; Lister's Agricultural Chemical Works, Newark, N. J.; Milson Rendering and Fertilizer Company, Buffalo; Preston Fertilizer Company, Brooklyn; Read Fertilizer Company, Brooklyn; Tygert-Allen Fertilizer Company, Philadelphia, and the Williams & Clark Fertilizer Company, Carteret, N. J. The annual profits of the combined companies during a period of five years have averaged \$1,419,879.35, and the total assets of the combined concerns is \$13,164,287.55.

The officers of the new combination have been selected, and will be formally elected in a few days. John F. Gibbons of New York, Vice President of the Liebig Manufacturing Company, will be President.

STATEMENT OF THE INTEREST OF F. L. SMITH

in the profits of H. J. Baker & Bro., and the Baker Castor Oil Company for the year 1899.

H. J. Baker & Bro.

Net credit, profit and loss account	203,206.42
H. J. Braker banking account,	429.62

Baker Castor Oil Company.

Gross profits 1899	15,257.00	
Less depreciation	<u>2,000.00</u>	
	13,257.00	
Add charged in above for old accounts prior to 1899	<u>12.35</u>	
	13,269.35	
Less 6% interest on capital invested	<u>9,972.70</u>	3,296.65
		<u>206,932.69</u>

Add H. J. Baker & Bro. 1898 acct.

Smith Street depreciation	5,000.00
Camphor bldg. depreciation	1,500.00
Baer & Sons Grocery Co.,	69.62
F. L. Marion charged into F.L.C. in 1899 but really 1897 acct.,	<u>347.18</u>
	6,916.80

Deduct H. J. Baker & Bro. 1898 acct.

Lawyer's account charged off	<u>624.33</u>	6,292.47
7 1/2% on this amount		<u>213,225.16</u>

Add H. J. Baker & Bro. before 1898

Smith Street depreciation	11,637.23
Camphor bldg. depreciation	<u>1,500.00</u>
	13,137.23

Deduct H.J. Baker & Bro. before 1898

Lawyer's account charged off	288.78	
F. L. Marion added above	<u>347.18</u>	635.96
		<u>12,501.27</u>
		225,726.43

7 1/2% on \$213,225.16	\$15,991.88
5% on \$12,501.27	<u>625.06</u>

Deduct salary already paid

Net Credit,

16,616.94
<u>3,000.00</u>
13,616.94

Against the above credit there will be a charge of \$600. for 6 shares of preferred stock and 6 shares of common stock, taken respectively at 75, and 25, of the American Agricultural Chemical Co. given in exchange for the

Transcript from
THE NEW YORK TIMES
September 23, 1908

H. J. BRAKER LEAVES \$1,500,000 TO CHARITY

Tufts College gets \$500,000 and \$1,000,000 Goes to Build a Home for the Aged

WIFE RECEIVES \$1,300,000

And all Household Effects - \$1,000,000 Divided in Bequests to Friends, Relatives, and Minor Charities

Surrogate Beckett admitted to probate yesterday the Will of Henry J. Braker, the importer of 1,006 Fifth Avenue, who died at Plymouth, England, on Aug. 31 last, leaving an estate valued at about \$4,000,000. Mr. Braker leaves \$500,000 to Tufts College, Boston; \$1,000,000 to establish a home for aged people; \$1,300,000 to his wife, who was formerly Mrs. William H. Gelshenen, a widow of the former President of the Garfield National Bank and about \$1,000,000 in bequests to relatives, friend and charities.

The only heir-at-law of the dead man is his brother, Conrad M. Braker. He is left only the income from a \$60,000 trust fund, and the money is tied up so that it is impossible for him to sell his interest under the Will or to negotiate it in any way. The other public bequests are:

Ten thousand dollars to St. John's Guild, in memory of his father, to create a "Conrad Braker, Jr., Fund," the income of which is to go to the floating hospital fund of that institution.

Ten thousand dollars to the Sheltering Arms, 304 West 129th Street, in memory of his mother, for a cottage to be known as the "Francis J. Baker Cottage."

Mr. Braker was senior member of the firm H. J. Baker & Brother, importers of 100 William Street. For the purpose of business Mr. Braker left the "r" out of his name. His only partner was Frank Morse Smith, to whom is left \$5,000 under the Will "for faithful services rendered." To each of the clerks in his employ at the time of his death who had been in such employ for three years and whose salary is more than \$1,500 Mr. Braker leaves \$500. To those who have served more than five years in his employ and get less than \$1,500 a year the testator leaves \$250 each.

The extent of Mr. Braker's fortune caused among his friends much surprise when it became known yesterday. Outside of his business as importer his is known to have made much money in real estate. Some years ago he attained considerable public notice through offering the city \$2,000,000 cash for the franchises of the Sixth Avenue and Eighth Avenue car lines. He was also concerned in the Third Avenue-Metropolitan troubles.

Mrs. Braker on the death of her former husband, William H. Gelshenen, inherited a life interest in an estate valued at \$10,000,000. Mr. Gelshenen was a former partner of Charles W. Morse. Braker married Mrs. Gelshenen on June 1, 1907, and on that date signed the present Will.

Under the Will Mr. Braker directs that his interest in the firm of H. J. Baker & Brother be sold. It is to be offered to his brother, Conrad M. Braker of 28 Pelham Road, New Rochelle, on liberal terms but the Will stipulates that at least \$250,000 must be got from the sale. In directing the creation of a trust fund of \$1,000,000 for the establishment of the Braker Memorial Home for the Aged, the testator says:

I give and bequeath to Austin B. Fletcher, Eugene C. Potter, and John Anderson, in trust, \$1,000,000. Said trustees to cause to be legally incorporated an institution to be known as the "Braker Memorial Home," as a memorial to my father and mother. This home is to be open at all times to all needy men and women over 50 years of age, without regard to condition or religious belief. My desire is that this institution be non-sectarian in character, and that it be managed by a Board of Directors of the Protestant faith, but that there shall at no time be a majority of the board of any one denomination of this faith. Should the bequest be declared invalid or suspended, I leave the amount to my wife and Austin B. Fletcher absolutely.

In the codicil to the Will the testator confirms this bequest, but adds the names of three other persons as trustees of the fund. They are James J. Franc, Henry Zuckerman, and F. Morse Smith. The home is to be erected either in New York or New Jersey. The five-hundred-thousand-dollar bequest to Tufts College is contained in this clause:

I give and bequeath to Tufts College, in the State of Massachusetts, \$500,000, to be known as the Henry J. Braker Fund. The income of the same to be used for the establishment of a School of Commerce, Accounts and Finance.

For his widow, Katherine Thomasine Braker, the testator created a trust fund of \$1,300,000. The trustees are to pay her the income from this fund during her life. After death it goes to her heirs. He also bequeathed to his widow all paintings, silver, bronzes, horses, carriages, automobiles, and all his personal effects. He directs that his body be cremated and the ashes buried in Woodlawn Cemetery.

To Mrs. Minnie Dunne the testator bequeathed \$25,000; to Madeline Gelshenen \$25,000; to Regina Corinne Gelshenen \$25,000; and to Walter D. Gelshenen \$25,000. By a codicil the testator revoked the bequest of \$25,000 each to Mrs. Minnie Dunne, and Madeline and Regina Corinne Gelshenen.

H. J. BRAKER LEAVES \$1,500,000 TO CHARITY

Tufts College Gets \$500,000
and \$1,000,000 Goes to Build
a Home for the Aged.

WIFE RECEIVES \$1,300,000

And All Household Effects—\$1,000,000
Divided in Bequests to Friends,
Relatives, and Minor Charities.

Surrogate Beckett admitted to probate yesterday the will of Henry J. Braker, the importer of 1,000 Fifth Avenue, who died at Portsmouth, England, on Aug. 31 last, leaving an estate valued at about \$1,600,000. Mr. Braker leaves \$500,000 to Tufts College, Boston; \$1,000,000 to establish a home for aged people; \$1,300,000 to his wife, who was formerly Mrs. William H. Gelshenen, widow of the former President of the Garfield National Bank, and about \$1,000,000 in bequests to relatives, friends, and charities.

The only heir-at-law of the dead man is his brother, Conrad M. Braker. He is left only the income from a \$50,000 trust fund, and the money is tied up so that it is impossible for him to sell his interest under the will or to mortgage it in any way. The other public bequests are:

Ten thousand dollars to St. John's Guild, in memory of his father, to provide a "Henry J. Braker" hospital fund of that institution.
Ten thousand dollars to the Sheltering Arms, 201 West 125th Street, in memory of his mother, for a cottage to be known as the "Frederic J. Braker Cottage."

Mr. Braker was senior member of the firm of H. J. Braker & Brother, Importers, of 100 William Street. For the purpose of business Mr. Braker left the "H. J." out of his name. His only partner was Frank Joseph Smith, in whom he left \$1,000 under the will "for faithful services rendered." To each of the clerks in his employ at the time of his death who had been in such employ for three years and whose salary is more than \$1,500 Mr. Braker leaves \$500. To those who have served more than five years in his employ and get less than \$1,500 a year the testator leaves \$250 each.

The extent of Mr. Braker's fortune caused among his friends much surprise when it became known yesterday. Outside of his business as an importer he is known to have made much money in real estate. Some years ago he attained considerable public notice through offering the city \$250,000 cash for the franchises of the Sixth Avenue and Eighth Avenue car lines. He was also concerned in the Third Avenue-Metropolitan troubles.
Mrs. Braker on the death of her former husband, William H. Gelshenen, inherited a life interest in an estate valued at \$100,000. Mr. Gelshenen was a former partner of Charles W. Morse. Braker married Mrs. Gelshenen on June 1, 1905, and on that date secured the present will.
Under the will Mr. Braker directs that his interest in the firm of H. J. Braker & Brother be sold. It is to be offered to his brother, Conrad M. Braker, of 25 Peabody Street, Boston, on the following terms: That the will stipulates that at least \$150,000 must be set from the sale. In direct payment of the creation of a trust fund of \$1,000,000 for the establishment of the Braker Memorial Home for the Aged, the testator says:

I give and bequeath to Austin B. Fletcher, Eugene C. Foster, and John Anderson, in trust, \$100,000. And I direct that these to be held in trust for an institution to be known as the "Braker Memorial Home." This home is to be open to all those in all walks of life and women over 20 years of age without regard to condition or religious belief. The desire to that this institution be non-sectarian in character, and that it be managed by a board of directors of the Protestant faith, and that it be at all times be a charity at the base of any one denomination of this faith. Should the board be agreed to build or improve, I have no objection to my wife and Austin B. Fletcher absolutely.

In the bequest to the will the testator confirms this bequest, but adds the names of three other persons as trustees of the fund. They are James J. Francis, Henry Conzertman, and F. Joseph Smith. The home is to be erected either in New York or New Jersey. The five-hundred-thousand-dollar bequest to Tufts College is contained in this clause:

I give and bequeath to Tufts College, in the State of Massachusetts, \$500,000, to be known as the Henry J. Braker Fund. The income of the fund to be used for the establishment of a School of Commerce, Accounting, and Finance.

For his widow, Katherine Thompson Braker, the testator created a trust fund of \$1,300,000. The trustees are to pay her the income from this fund during her life. After death it goes to her heirs. He also bequeathed to his widow oil paintings, silver, bronzes, horses, carriages, automobiles, and all his personal effects. He directs that his body be cremated and the ashes buried in Woodlawn Cemetery.

To Mrs. Minnie Dunn the testator bequeathed \$5,000; to William H. Gelshenen, \$5,000; to Madeline Gelshenen, \$5,000; to Regina Corinne Gelshenen, \$5,000; and to Walter D. Gelshenen, \$5,000. By a codicil to the will he bequeathed the bequest of \$5,000 each to Mrs. Minnie Dunn, and Madeline and Regina Corinne Gelshenen.

EBERHARD'S STORY IN COURT.

Jury Hears His Confession, Despite His Counsel's Vigorous Opposition.

The confession of Gus Eberhard to Prosecutor Keester and Chief of Police Dunn of Hackensack that he murdered his aunt was admitted by Supreme Court Justice Parker at Eberhard's trial in Hackensack yesterday, despite vigorous opposition on the part of co-Prosecutor F. W. Stagg, senior counsel for the prisoner.

Chief Dunn first related the confession as given to him, and the stenographer who took the full confession, afterward signed by Eberhard, read the detailed story of the crime as given by the young crook's clerk.

"When Eberhard was taken to Police Headquarters in Hackensack after being brought from Paterson he told us the main story he had told the Paterson police," said Chief Dunn.

"I said Gus I didn't believe his story, and said it was impossible for him to have solved a bullet wound in the front part of his leg when shot at from behind. Eberhard then cringed Prosecutor Keester and myself by the house, saying:

"I will now tell you the truth."
"After repeating his trip from New York to Rockville Park with his aunt and cousin, Gus told the victim of my arrest in New York suddenly appeared before me, and on a sudden impulse I drew my revolver and shot my aunt. As she fell around I knelt in prayer. My cousin turned around and told her to run, and no one dared shoot at the truck. I fired three shots after her. Then I took the money from my aunt, returned to New York, and caught a train for Chicago the next night."

Prosecutor Keester closed his case after Detective O'Connell and Dunne told of finding Eberhard's revolver near the scene of the murder and having it identified by Eberhard, who showed where he had thrown it after shooting his aunt. Co-Prosecutor Stagg says he will ask the court this morning to instruct the jury to acquit the prisoner on the ground that the evidence does not connect Eberhard with the crime.

Charge Against Lawyer Dismissed.
On the request of the District Attorney, the complaint against Solomon B. Lillienstein, a lawyer, of 68 William Street, made by J. H. Bryan, was dismissed yesterday by Magistrate Finn, in the Tombs Court. As a result of a civil litigation between the Universal Lumber Company, a client of Mr. Lillienstein, and the company, Lillienstein, a charge was preferred against Mr. Lillienstein. Upon the production of all the papers in connection with the suit, the District Attorney requested the Magistrate to dismiss the charge.

ESTATE OF FRANK MORSE SMITH - FIRST DISTRICT OF NEW YORK.Supplemental Schedule D-2Interest of decedent in the partnership H. J. BAKER & BRO.

In Schedule D-2, hereinbefore contained, the interest of the decedent in the partnership H. J. Baker & Bro. of 271 Madison Avenue, Borough of Manhattan, City of New York, of which he was the senior partner, is valued at \$615,552.33. The facts relating to the said partnership and the manner of valuing the decedent's interest are set forth in detail as follows:

The partnership of H. J. Baker & Bro., of which the decedent was a member at the time of his death, was organized in July, 1924, as of July 22, 1924. The partnership succeeded the partnership of H. J. Baker & Bro., of which the decedent, Frank Morse Smith, and William H. Gelshenen were the sole partners. That partnership was dissolved on July 22, 1924, by the death of William H. Gelshenen, and the partnership H. J. Baker & Bro., of which the decedent was a member at the date of his death was organized immediately after the death of William H. Gelshenen. There were some changes in the formal partnership agreement. The formal partnership agreement actually in operation at the date of the death of F. Morse Smith was dated January 1, 1928. A copy of this agreement is hereto annexed and marked "Schedule D-2, Exhibit A."

Pursuant to this document, the members of the partnership and their interests in the net profits of the partnership are as follows:

See Budget 24.11.1050 2/17/30

F. Morse Smith	55%
Edward A. Buck	15%
James K. Welsh	10%
Charles D. Rafferty	10%
Henry V. B. Smith	10%

The partnership agreement expressly provided in Paragraph Fourth that before any distribution of profits was had there should be allowed to each partner interest at 6% per annum upon the amount of his capital. The amount of capital of the partnership varied from time to time, and is shown in detail in the balance sheets hereto attached. In addition to the provision as to division of net profits, the contract expressly provided that the decedent, F. Morse Smith, should guarantee to his other partners that their respective shares of the net profits would be at least at the rates next set forth, namely:

Mr. Buck at the rate of \$12,000. per annum;
 Mr. Welsh at the rate of \$12,000. per annum;
 Mr. Rafferty at the rate of \$12,000. per annum;
 Mr. Smith, Jr., at the rate of \$10,000. per annum.

It is also expressly provided in the contract in Paragraph Sixth that in the event of the termination of the partnership by the death of F. Morse Smith, the partnership name and such good will in the partnership, if any, as there might be should become the property of the surviving partners without their being obliged to pay or account therefor to the estate of Frank Morse Smith, but also upon the express condition that so long as Henry V.B. Smith should live he should have the exclusive right to the use of the firm name "H. J. Baker & Bro." and to such good will, if any, as there might be of the firm, and to the user thereof without obliga-

the firm but is subject to adjustment, as hereinafter set forth.

GOOD WILL.

In computing the value of the interest of the decedent in the said firm, nothing has been included for good will for the following reasons:

In the first place, the estate of the decedent under the terms of the partnership agreement had no interest in any good will of the firm if there were any, it being expressly provided, as above set forth, that the good will should belong to the surviving partners in the contingency of dissolution by the death of Frank Morse Smith. In the second place, it is apparent that there was no money value in any supposed good will of the firm. This appears from the following figures, taken from the six profit and loss statements above referred to. The following table shows the capital of the firm as of the date of the respective profit and loss statements, that is, December 31, 1924, December 31, 1925, December 31, 1926, December 31, 1927, December 31, 1928 and March 21, 1929. It shows the amount of interest on capital credited to the partners as an expense of business for each of the periods covered by the profit and loss statements. This is in accordance with the provision of the partnership agreement. It also shows the net profit or loss of the firm for each of said periods after deducting interest allowed as aforesaid.

Year	Capital	Interest allowed partners on cap- ital as expense of doing business.	Net Gain or Loss.
1924	\$983,886.94	\$23,861.44	\$65,020.28
1925	1,095,962.89	56,331.76	216,679.62
1926	1,128,731.28	63,460.07	83,058.24
1927	1,069,055.09	63,050.40	46,586.25
1928	1,105,537.63	58,485.03	157,769.49
1929	923,280.41	13,701.95	<u>LOSS</u> ...9,232.07
		<u>\$278,890.65</u>	<u>\$559,881.81</u>

From the foregoing table it appears that the average annual allowance of interest was \$59,719.62; and the average net annual gain was \$119,889.04; the average total earnings of the firm for each of said periods which would be arrived at by adding the average interest allowed on capital and average net gain would be \$179,608.66.

The interest credited on capital contributed by the partners cannot be considered in estimating any possible good will of the firm. We find, therefore, that the average net annual gain, exclusive of interest so credited, was \$119,889.04. The earnings of the partnership are, from the nature of its business, peculiarly dependent upon the experience, knowledge and activities of the partners themselves. It is not the kind of business that would run on its own momentum. Whether or not the net profits in any one year are large or small depends almost entirely upon exercise by the partners of a proper judgment with respect to purchase and sale, and for that reason upon their

devoting their time to the business. All of the partners devoted practically all of their time to this business. The average net gains of the firm over the allowance for interest are not more and are probably less than the services of the partners would in the business community have been deemed entitled to as compensation. Frank Morse Smith, the senior partner, the decedent above mentioned had been in the business in connection with the firm of H. J. Baker & Bro. and its predecessor firms for over fifty years. He was a man of great business capacity who devoted himself to this business and had always done so. He had acquired a complete knowledge of all of its phases. He was known all over the country to persons interested in the fertilizer, drug and chemical business. His membership in the partnership and his activity as a partner were of enormous value to the firm. His business ability and earning power are evidenced by the fact that he commenced in business as an office boy in one of the predecessors of the firm of H. J. Baker & Bro., and that solely by his own exertions he acquired the fortune, the details of which are set forth in this return. He was a man who could readily in any line of business have made from \$75,000. to \$100,000. a year. As a moderate estimate, his earning capacity is figured at \$65,000. a year. The value of the other partners to the business and their earning capacity may be figured at a minimum as the amount guaranteed to them by Mr. Smith according to the partnership agreement. It was not expected that their returns from their activities would be measured by the guarantee figures. That was a minimum. In estimating their value to the

firm, however, for present purposes those figures may be used. We find, therefore, that the earning power of the several partners on this basis would be as follows:

The decedent, Frank Morse Smith,	\$65,000.00
Mr. Buck	12,000.00
Mr. Welsh	12,000.00
Mr. Rafferty	12,000.00
Mr. Smith, Jr.	<u>10,000.00</u>

TOTAL \$111,000.00

This is in close approximation with the average annual net gains of the firm for the period during its entire existence. If, however, the partners other than Mr. Smith are to be credited with the amount that they could reasonably be expected to earn, the aggregate would largely exceed the average net gains of the firm. For instance, Mr. Buck has been associated with the firm of H. J. Baker & Bro. as an employee and partner for some thirty years, and at the time of the decedent's death had a substantial capital interest in the firm, which he had acquired by his own exertions. The other three partners, Mr. Welsh, Mr. Rafferty and Mr. Smith, Jr. also had been associated with the firm as employees and partners for a considerable period of time, and were all men of business ability and shrewdness and could reasonably be expected to have earned considerably more than the amount guaranteed to them respectively by the decedent in the partnership agreement. On any reasonable basis, the average gains of the firm are more than offset by the total reasonable compensation that should be attributed to the labor and activities of the five

partners. In addition to this, the business itself, as appears from the wide variation in the net gains and losses for the years as above set forth is uncertain and unsteady. It depends to a large extent upon conditions which cannot be foreseen such as weather, crop productivity and other considerations of that nature. It is not a business whose gains and losses can be predicted with anything like the degree of certainty that could be attained with respect to a business dealing in commodities for which there is a steady and unvaried demand, and the amount of the net gain for any given year is in no way an index as to the amount of business likely to be done in the next succeeding year.

The death of Mr. Smith deprived the firm of its most important member. His loss to the firm could not but have a very material effect on its earning power, and in considering the question whether there was good will with a money value, the earnings of the firm in the future must necessarily be substantially lessened by reason of the firm's being deprived of the wide experience and wide acquaintanceship of the decedent as a member thereof.

Under these circumstances, it is considered that no consideration should be given to good will in estimating the value of the decedent's interest in the firm of H. J. Baker & Bro.

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DETAILED ESTIMATE OF DECEDENT'S INTEREST IN THE PARTNERSHIP
OF H.J. BAKER & BRO.

Immediately after the death of the decedent, Frank Morse Smith, the surviving partners caused the annexed balance sheet, above referred to, to be prepared, in order to state the condition of the firm as of the date of the decedent's death. That balance sheet requires further adjustment by reason of the fact that since the date of the decedent's death various cash transactions occurred affecting the balance sheet, and which could not be reflected in it at that time. Certain assets which had been overlooked were discovered and must be added to the assets of the firm. The interest of the firm in certain uncompleted bought and sold contracts must be adjusted. The amounts at which various items of assets and liabilities were carried on the books of the firm must also be adjusted in order to bring them into line with the real valuations as of that date. All of these changes are explained later in the statement.

The annexed closing statement as of March 21, 1929, above referred to, shows total gross assets of \$1,481,019.58. This gross total is subject to adjustment, as above stated, in the following respects:

1. A number of cash transactions took place after the date of the decedent's death, which affected various of these items of assets.

2. An additional inventory was discovered after the

date of the decedent's death, which had not been included in the closing statement.

3. The value of the firm's interest in certain uncompleted purchase and sales contracts was not included in the balance sheet and must be now taken into account.

4. Various items of assets were carried on the books at figures representing valuations of earlier periods, and not representative of the value at the date of the decedent's death. To set forth these assets at their proper valuations as of the date of the decedent's death must be considered.

All of these adjustments are shown in schedule form in exhibits attached to this statement, and the exhibits will be discussed later on in the above order.

In the same way, the liability side of the balance sheet is subject to adjustments as follows:

1. The cash transactions taking place after the decedent's death and affecting the balance sheet.

2. Adjustments in valuation of liabilities carried on the books at valuations of earlier dates.

These also are set forth in detail in exhibits attached to the statement, which will be discussed later on.

ADJUSTMENTS IN GROSS ASSETS ABOVE REFERRED TO

(1) Schedule D-2, Exhibit C, hereto attached, sets forth the adjustment in the asset side of the balance sheet made necessary by cash transactions, and we believe does not require further comment.

(2) Schedule D-2, Exhibit D, hereto attached, sets forth the addition to gross assets made necessary by the discovery of certain items of inventory, which, through inadvertence, had been omitted from the balance sheet, and likewise does not require further comment.

(3) Schedule D-2, Exhibit E, hereto annexed, sets forth the details with respect to the firm's interest in certain purchase and sales contracts. The facts with respect to these contracts are as follows:

The partnership was accustomed to purchase large quantities of drugs, chemicals and fertilizer materials under contracts calling for delivery of this merchandise over a period of months in the future. The firm was also accustomed to make contracts of sale against these contracts of purchase for the sale of merchandise which called for delivery of the merchandise over a period of some months. Certain of these bought and sold contracts were entirely unperformed at the date of the decedent's death, i.e., no deliveries had been received under the bought contracts and no deliveries had been made under the sold contracts. For these reasons, it was not possible to set up the firm's interest

in these bought and sold contracts on the books of the firm, and for that reason these contracts are not reflected in the closing statement of the firm. Inasmuch as the performance of these contracts would have required labor and expense of uncertain amount, and might conceivably have involved loss rather than profit, they are valued for present purposes only at the amount realized upon them. In order to avoid expense attendant upon performing the contracts, Henry V.E. Smith the liquidating partner of the old firm, who is also the executor of the decedent, adjusted these contracts with the firm which succeeded the old firm of H.J. Baker & Boin such manner that the new firm took over the performance of these contracts, assuming the labor and expense involved therein, and allowing to the old firm in liquidation as to certain of the contracts a portion of the profits realized by the new firm on the resale of the merchandise, and with respect to certain of the other contracts, an amount equivalent to a brokerage of one per cent. It is deemed that the amount so realized by the old firm represents the real value of these contracts to the old firm. As to the contracts that have not yet been completely performed, it is impossible to place an exact valuation of the interest of the firm, inasmuch as the result of these transactions cannot be accurately ascertained. It is, however, certain that there will be a loss on these transactions. The best estimate which can be made at this time is that on the contracts still uncompleted, there will be a net loss.

to the old firm in liquidation of approximately \$3,000.

Schedule D-2, Exhibit E, hereto attached, which it is supposed requires no further explanation, shows as to this group of contracts already completed a net loss to the old firm in liquidation of \$22,173.04, which will be further increased by the estimated additional loss of \$3,000, above referred to, making a total to be deducted from the gross assets of \$25,173.04.

(4) Revaluation of Assets to show Market Values.

For convenience of reference, the various items of assets and liabilities on the closing statement of March 21, 1929 have been numbered serially, the serial numbers of the assets running from 1 to 61 inclusive, and of the liabilities from 62 to 95, inclusive.

As before pointed out, various of the assets on this closing statement represented values at which various of these assets had been carried on the books for a long period of time, and these figures did not represent the true market value of these respective assets of March 21, 1929. The following is a schedule of the assets which have been revalued, giving in the first column the serial number on the closing statement, in the second column the name of the asset, in the next column the figures at which these assets appear in the closing statement and in the fourth column the market value of these assets:

Serial Number	Name	Closing Statement Figure.	Market Value
8	Real Estate	\$8,240.16	\$8,000.00
13	Notes Receivable	38,800.00	35,200.00
14	H.J.B. & Bro. of		
	Argentine, loan	31,043.96	-0-
21	William Callan, loan	1,000.00	-0-
31	Sales Ledger	340,957.76	331,071.04
32	Purchase Ledger	18,172.61	17,654.64
33	Alsatian Potash Ledger	9,253.47	2,927.88
39	Marine Losses	226.12	40.16
46	Anderson Fert. Co. stock	49,200.00	75,300.00
47	H.J.B. & Bro. of		
	Argentine, stock	43,956.04	-0-
48	Continental Feed Products	25,000.00	8,750.00
50	Saginaw Salt Products, stock	20,000.00	11,074.00
51	Camphor Imp. & Mfg. Co.	4,287.73	29,250.00
53	Chicago Corp.	13,200.00	13,600.00
55	Gibbons' accounts	45,000.00)	
56	Baker-Carter Suspense	3,698.34)	
57	Gibbons-Carter	12,594.65)	10,474.47
58	Keystone Wood Products Suspense	— 925.37)	
		\$663,701.47	\$543,342.19
		<u>543,342.19</u>	

NET DECREASE IN ASSETS - \$120,359.28

We next take up an explanation of the changes in the foregoing assets, taking the assets according to serial number.

#8, Real Estate. This real estate has been appraised as of the date of death at \$8,000., the assessed valuation being \$5,250.

#13, Notes Receivable. Of the gross total of \$38,800., \$10,000. was represented by the note of S. D. Crenshaw of Rich-

mond, Virginia, who had been a lifelong friend of Frank Morse Smith, the decedent, and this note represents a loan by the firm through the decedent to Mr. Crenshaw. The loan was secured by the pledge of a certificate for 160 shares of stock of Bank of Louisa, which is a small country town in Virginia. Mr. Crenshaw is a man well advanced in years, being considerably over seventy years of age, and has for the last few years been receiving a salary as President of a chemical company. This salary has not been large enough for Mr. Crenshaw to save anything out of his salary.

I am executor of the estate of the decedent and the liquidating partner of the firm of H. J. Baker & Bro., and I am the son of the decedent. Because of my father's friendship for Mr. Crenshaw, I have known Mr. Crenshaw for many years and have been familiar in a general way with his circumstances. From what I know of his affairs, I feel satisfied that, because of his financial condition and his advanced years, nothing will ever be realized on this loan except what may be realized from the sale of the 160 shares of Bank of Louisa stock. I am informed by the Bank of Louisa that the par value of the stock was \$25. a share; that its book value is \$40. per share; that it pays dividends at the rate of 8% per annum. I am also informed by the Bank that because of the fact so many banks in the State of Virginia and the other states in the South have failed within the last two years by reason of the depression in the South, it would be impossible to sell this stock for as high as \$40. per share, particularly as there is no one who would be interested in buying a block of stock as large as 160 shares in a small bank of this kind. In revaluing

this asset, #13, however, I have taken the book value of the 160 shares, or \$6,400. as the outside value of the Crenshaw note.

#14, H.J. Baker & Bro. of Argentine, loan. Some years ago, the then firm of H. J. Baker & Bro. organized a branch in the City of Buenos Aires, Argentine Republic. This branch was incorporated under the laws of the Argentine Republic but was always conducted as a branch of the partnership of H.J. Baker & Bro. of New York, and for some years a combined income tax return has been filed for the New York partnership and the Argentine corporation. The Argentine corporation was used as an agency through which the New York partnership purchased a great quantity of its fertilizer requirements for use in this country, and also in the sale of the general merchandise which was shipped from this country to the Argentine. The Argentine corporation also was used in an endeavor to introduce into the Argentine Republic among Argentine farmers, fruit and grape growers, the practice of using fertilizer in the raising of their crops. No such general practice had ever existed before. The purpose of endeavoring to introduce this custom into the Argentine Republic was to increase the sales of fertilizer in the Argentine. It has been a matter of extreme difficulty to induce the agriculturalists in the Argentine to use fertilizer and it has been impossible, generally speaking, to accomplish this. In addition to the foregoing, there was also a great financial depression particularly among the agriculturalists in the Argentine. As a result of the conditions above described, the Argentine branch of this firm has consistently lost

money, each year, and in many of the years very large sums of money had to be advanced by the New York partnership to the Argentine corporation in order that it might maintain its capital at the figure required by the laws of the Argentine Republic. Item #14, on the closing statement, represents the current amount at which the loan from the New York partnership to the Argentine corporation stood on March 21, 1929. In addition to the large advances which were made from time to time by the New York partnership to the Argentine corporation, the Argentine corporation on March 21, 1929 had borrowed by way of an overdraft from the Buenos Aires Branch of the National City Bank nearly \$200,000. Repayment of this overdraft to the National City Bank was guaranteed by Frank Morse Smith, the decedent. This state of affairs would render the Argentine Corporation hopelessly insolvent. If Item #14 is regarded as an asset of this partnership, it would be offset by the decedent's guarantee to the National City Bank on the overdraft. For these reasons, this item has been regarded as worthless.

#21, William Callan loan. This represents a loan by the firm to a former employee who has not been in their employ for a long time. The statute of limitations has long since expired.

#31, Sales Ledger. This item represents accounts receivable for sales. Of the total represented by this item, the three items are uncollectible as follows: C. C. Gunthers \$6.25, U. S. Stucco Corporation \$69.30, and Reliance Fertilizer Company \$9,811.17, representing old interest long since outlawed. For these reasons, this item has been reduced by the sum of \$9,886.72.

#32, Purchase Ledger. This item also represents re-

ceivables. They are all considered good, excepting two items - Metal Ore Company \$405.97 and Isaac Spencer Company \$112.00, aggregating \$517.97. These two items both represent duplicate charges which had been already paid and should therefore be eliminated from the balance sheet.

#33, Alsatian Potash Ledger. The firm of H. J. Baker & Bro. some years ago was the sold American agent for the distribution in this country of Alsatian Potash, but no longer acts in that capacity.

Item #33 represents two old charges, one of \$7,235.81 against A. J. Ives, and the other of \$2,017.66 against the Reliance Fertilizer Company. The Ives item has remained unpaid since 1922 and the Reliance Fertilizer item since 1921, and the Statute of Limitations has long since run against them both. A. J. Ives is an aged man of no financial responsibility. Without doubt, if these two old accounts were pressed for collection, the Statute of Limitations would be pleaded and nothing could be recovered.

A. J. Ives was also indebted to the firm of H. J. Baker & Bro. in the sum of \$9,240.12. See Item #16 on list of Assets. The item represented by #16 is secured by two life insurance policies in the Mutual Life Insurance Company of New York, one for \$13,000. 20-year life, and one for \$5,000. 20-year life. Both of these policies were assigned to H. J. Baker & Bro., and the premiums on both policies were paid by H. J. Baker & Bro. for a number of years. Both policies are now paid up. The cash surrender value of these two policies amounts to \$12,168., leaving an excess of \$2,927.88 more than is necessary to secure payment of

Item #16. I have, therefore, credited on the Alsatian Potash Ledger Item #33, this excess of \$2,927.88, on account of the portion of that item which represents the old debt of A. J. Ives. In other words, I have written down Item #33 from \$9,253.47 to the amount of this surplus insurance of A. J. Ives, to wit, \$2,927.88.

#39, Marine Losses. This represents miscellaneous small marine loss claims running over a period of years. Since March 21, 1929, I have ascertained that the sum of \$40.16 is the only portion which is collectible, and I have accordingly written that item down to \$40.16.

#46, Anderson Fertilizer Company stock. The Anderson Fertilizer Company was a customer of the firm of H. J. Baker & Bro., and is still a customer of the successor firm of H. J. Baker & Bro. This item represents the ownership of 753 shares of the capital stock of the Anderson Fertilizer Company of Anderson, S.C. This is a small company and its stock is not listed. There are very few sales of the stock. The only two sales at or near the date of death of the decedent consisted of the sale of 10 shares on July 12, 1926 by J. F. Shumate to W. F. Farmer, the Vice-President and General Manager of the company, and another sale on February 10, 1928 by W. C. Gilmer to W. F. Farmer of 5 shares. The price paid in each case was \$100. per share. The President and Farmer have both written that they would not be willing to give as much as that for a large block of stock.

#47, H. J. Baker & Bro. of Argentine, stock. On the basis of the facts set forth in Item 14, this stock is plainly worthless.

#48, Continental Feed Products. This represents an original investment of \$25,000. for 250 shares in this company, which was a customer of the firm of H. J. Baker & Bro. It is a small company which has never made any substantial money, has never paid any dividends and has usually been operated at a loss. The true book value of the stock on March 21, 1929 was approximately \$29. a share. I have, however, received an offer of \$35. per share from the present firm of H. J. Baker & Bro., which desires to own the stock simply because the corporation continues to be a customer of the new firm. I have sold this stock to the present firm at that price and have accordingly written this item down to \$8,750.

#50, Saginaw Salt Products stock. The partnership owned 70 shares of preferred stock and 280 shares of common stock. The company has made substantial losses during the last five years except during 1929, when there was a profit of \$4,897.93. I have a letter from A. E. Schaefer, the President, Treasurer and Manager of the corporation to this effect. He also states that in his opinion the fair market value of the common stock is \$15. per share and of the preferred stock \$60. per share. The total outstanding capital stock at the present time is \$105,500. The fair market value, therefore, of both classes of stock on March 21, 1929 was \$8,400. The investment of the firm, however, in this stock is worth, in addition to the market value of these two classes of stock, the sum of \$2,674.00 representing the cash surrender value of an insurance policy carried by the firm on the life of A. E. Schaefer, the President and General Manager of the company.

making a total value of this investment of \$11,074.00.

#51, Camphor Impr. & Mfg. Co. The firm of H. J. Baker & Bro. owned a 3/8 interest in the capital stock of this company which had 1,000 shares of the par value of \$100. outstanding. The corporation was at one time in the business of importing and manufacturing camphor. It had its plant located in Jersey City, N.J. Some years ago, it became economically impossible to continue the business and it was decided to liquidate the same. While doing business, the corporation had two old-fashioned brick buildings in Jersey City used as factories and warehouses. I am an officer of the Camphor Importing & Manufacturing Company, to wit, the Secretary, and as such am familiar with its affairs. On March 21, 1929, the corporation had been liquidated to a substantial extent. At that time the corporation had on hand as its assets approximately \$78,000. in cash and one remaining building in Jersey City, which it was carrying on its books at \$23,776.40. This real estate was, however, assessed for taxation purposes at \$31,700.

Since the liquidation of this company was commenced some two or three years ago the one remaining parcel of real estate has been in the market for sale, but the corporation has not been able to obtain a bid for the same. The building is producing no income and is of course a source of expense by reason of the necessity for the payment of taxes, the keeping of watchmen and matters of that kind. It is impossible to tell when it will be possible to complete the liquidation of the corporation or how much will be

realized when it is finally liquidated. I have valued the stock of this corporation at \$78. a share, or a total for the 3/8 interest in this corporation at \$29,250. I consider this a fair valuation for the reason that it represents a substantial minority interest in a corporation which is in the process of dissolution and it is impossible to tell when I will be able to realize on this investment. In the meantime, the corporation has no income but is subject to constant expense. It will also be obliged to bear considerable expense by way of attorneys' fees and other liquidation expenses when the liquidation is complete, and there is in addition being carried on the books a reserve for taxes of upwards of \$7,900.

#53, Chicago Corporation. This investment consisted of 200 units, consisting of one share of convertible preferred and one share of common stock. The market price on March 21, 1929 was \$68. a share, which increases the amount of this item to \$13,600.

#55, #56, #57 and #58, Gibbons' accounts, Baker-Carter Suspense, Gibbons-Carter and Keystone Wood Products Suspense. — Some ten years or more ago the firm of H. J. Baker & Bro., consisting at that time of Frank Morse Smith, the decedent herein, and William H. Gelshehen, entered into an agreement with one Julius P. Carter, looking to the purchase as a joint adventure by H. J. Baker & Bro. and Carter of the license to develop and exploit a process (hereinafter referred to as the "Brewster Process"). This process was developed by one Theodore Brewster and the process

was designed to provide a cheap method of extracting acetic acid from crude liquor containing this acid in solution. Such an arrangement was consummated and the partnership and Carter received from Brewster an exclusive license to develop and exploit this process. An application for a patent was made in Brewster's name which has finally been denied. Pending the granting of the application for the patent, the partnership and Carter entered into a contract with the Keystone Wood Products Company, a Pennsylvania corporation, for the installation of an experimental plant to develop this process with the purpose of granting a sub-license to the Keystone Company in the event that the plant so to be installed was a commercial success. By far the greater portion of the moneys necessarily expended in the development of this process were advanced by H. J. Baker & Bro. for the joint account of itself and the said Carter. Of the amounts expended in connection with the installation of the plant to be installed for the Keystone Wood Products Company, a substantial proportion was to be repaid to Baker and Carter upon the completion of that plant. The balance of all those disbursements was to be borne equally by the firm and Carter.

In connection with the development of this process, the firm of H. J. Baker & Bro. had employed one L. W. Gibbons to assist in the development of the process and to supervise the erection of the plant for the Keystone Wood Products Company. All of the expenditures made by H. J. Baker & Bro. in connection with this process were carried for years on their books in two accounts en-

titled "Baker-Carter Suspense" and "Gibbons-Carter". These two accounts represented the moneys advanced by H.J. Baker & Bro. for the joint account of itself and Carter. A very large sum of money, upwards of \$55,000., was also advanced by the old firm of H.J. Baker & Bro. to the said Gibbons in the nature of a drawing account. When the firm of H. J. Baker & Bro., which was terminated by the death of the decedent on March 22, 1929, was organized, the decedent who was the liquidating partner of the preceding firm of H. J. Baker & Bro. turned into the new firm as part of his capital investment his interest in the two aforesaid accounts "Baker-Carter Suspense" and "Gibbons-Carter", and also his interest in the moneys which had been advanced as a drawing account to the said Gibbons. All three of these accounts were then combined and were at that time written down to the sum of \$45,000., which was thereupon credited to the decedent's capital investment in the firm then being formed. The \$45,000. represented by the Gibbons accounts, Item #55, represents this amount which had been so written down. The other two items, Items #56 and #57, represent advances made by the succeeding firm of H.J. Baker & Bro., which terminated with decedent's death. At the death of decedent, therefore, on the books of the firm there appeared among the assets \$60,367.62, which is the total of items #55, 56 and 57, less a credit due the Keystone Company of \$925.37.

There was due on March 21, 1929, to the firm of H. J. Baker & Bro., the sum of \$41,897.88

from Julius P. Carter as his one-half share of all the moneys advanced by H.J. Baker & Bro. in connection with the development of the Brewster Process and the installation of the plant for the Keystone Wood Products Company. The share of these disbursements made by H.J. Baker & Bro. on its own account in this connection is regarded as worthless for the following reason:

On October 8, 1926, judgment was entered in favor of F. Morse Smith the decedent, as surviving partner of an earlier firm of H.J. Baker & Bro., and Julius P. Carter for the sum of \$87,003.77 against the Keystone Wood Products Company by reason of breach of the contract between H.J. Baker & Bro. and Carter on the one hand and the Keystone Wood Products Company on the other, for the installation of the aforesaid plant in which the Brewster Process was to be used. This judgment was entered in the Clerk's Office of the United States District Court for the Western District of Pennsylvania. An appeal was taken from that judgment to the United States Circuit Court of Appeals and affirmed. An appeal bond was furnished by the Keystone Wood Products Company upon that appeal, on which Thomas H. Quinn, Martin F. Quinn and W. L. Barclay bound themselves as sureties. An examination of the affairs of the Keystone Wood Products Company discloses that it has no assets, except some stock in another corporation which at the present time is in the hands of a Receiver and hopelessly insolvent. Before suit could be brought against the above named sureties, Martin F. Quinn and Watson L. Barclay both died. Suit was begun against Thomas H. Quinn for the amount of the judgment with accrued

interest, and judgment recovered against him. An examination in supplementary proceedings of Thomas H. Quinn discloses no available assets except a claim against a New York corporation, Keystone Wood & Lumber Company, which is in the hands of receivers and is hopelessly insolvent. The bulk of the assets of the deceased Martin F. Quinn consist of claims against the same insolvent company, and our information is that the said Martin F. Quinn died hopelessly insolvent. After the death of W. L. Barclay, the other surety, it developed that he also had large claims against the same insolvent Keystone Wood & Lumber Company and that he, as well as Martin F. Quinn and Thomas H. Quinn, were liable as guarantors in a very large sum of money. The great proportion of the remaining assets in the Estate of W. L. Barclay consist of interests in country real estate in and about Williamsport, Pennsylvania, and are what are usually called "slow-moving assets." In my opinion, it is very doubtful whether anything will ever be recovered from any of the sureties on the aforesaid bond. For the foregoing reasons, I consider the one-half interest of the firm of H.J. Baker & Bro. amounting to \$41,897.88, as of no value. With respect to the moneys represented in Item #55, Gibbons accounts, advanced by the old firm as a drawing account to the aforesaid L.W. Gibbons, there was no obligation on said Gibbons to repay any of those advances unless and until all of the out-of-pocket payments by H.J. Baker & Bro. in connection with the exploitation of the Brewster Process were repaid. The amount representing these Gibbons advances is also, for this reason, regarded as worthless. Not only is there no prospect of recovering any portion

of the aggregate of Items #55, 56, 57 and 58, except so much of the sum of \$41,897.88 as it may be possible to recover from Julius P. Carter for his one-half of said advances, but there are further large charges for which the firm of H.J. Baker & Bro. and said Carter are liable, such as attorneys' fees and various expenses of litigation. Only a nominal fee has been paid to the attorneys who conducted the trial of the suit against the Keystone Wood Products Company, and in all probability there will be a large further outlay for the balance of their services in connection with the preparation for trial, the trial of the action, preparation of the brief on appeal, argument of the appeal and services generally in connection with the prosecution of the claims against the three sureties on the appeal bond. There are also the expenses of litigation for attorneys' fees in connection with the filing of proofs of claim with the estates of the deceased sureties and the prosecution of the action against the surviving surety.

On numerous occasions the said Carter has been pressed for payment of the said sum of \$41,897.88, but he has always said that he was unable to repay his portion of these advances and that he would be unable to reimburse H.J. Baker & Bro. until the moneys due on the aforesaid judgment against the Keystone Company were collected. As this judgment appears to be wholly uncollectible, I am including the claim against said Carter only at the sum of \$10,474.47.

28.

Re-Adjustment of Liabilities on Closing Statement.

Schedule D-2, Exhibit F, hereto annexed, shows a net increase of the liabilities as shown on the closing statement of March 21, 1929, resulting from various cash transactions which have occurred since that statement was made up. It is believed this schedule needs no further explanation.

Decrease of Liabilities on Re-Adjustment.

The liabilities shown on the closing statement of March 21, 1929 should be decreased by the sum of \$25,483.07, the sum of Items #64 and #73 on the closing statement. These liabilities should be eliminated and the total liabilities consequently decreased by reason of the fact that the assets represented by Items #14 and #47 have been eliminated from the assets.

Summary of Adjustments of Closing Statement.

The foregoing exhibits, taken in connection with the balance sheet as of March 21, 1929, produced the following valuation of the interest of the decedent in the firm of H.J.

Baker & Bro.:

NET VALUE of partnership, i.e., excess of
assets over liabilities - \$923,280.41

ADJUSTMENTS

Adjustment of Assets:

Sched. D-2, Ex. C	\$3,559.92
Sched. D-2, " D	6,201.85
Sched. D-2, " E (decrease)	25,173.04 = 25,173.04
Adjustment on revaluation (supra) decrease	<u>120,319.28</u>

\$135,770.55

Adjustment of Liabilities:

Sched. D-2, Ex. F	\$16,022.56
Sched. D-2, " B-1 (decrease)	25,483.07
	<u>9,460.51</u>
	126,310.04

ADJUSTED NET WORTH
OF PARTNERSHIP \$796,970.37

Deduct interest of surviving partners:

Mr. Buck	\$143,209.75
Mr. Smith	33,796.57
Mr. Rafferty	4,411.72
Mr. Welsh	<u> </u>

181,418.04

\$615,552.33

161.74

615,390.59

NOTE: In the balance sheet of March 21, 1929, the amounts due partners, as shown on the second page of the balance sheet, are aggregated at \$972,533.15, from which is deducted an item entitled "J.K. Welsh, stock \$49,252.74, leaving a net figure of \$923,280.41 as partners' collective interest in the firm. In the foregoing

calculation, Mr. Welsh's interest is taken as 0, for the reason that on March 21, 1929 his capital in the firm was represented by securities which were not carried in the firm balance sheet.

THIS AGREEMENT, made this 1st day of January, 1928, between F. MORSE SMITH of the Borough of Brooklyn, City of New York, (hereinafter called "Mr. Smith"), EDWARD A. BUSK of Arlington, New Jersey, (hereinafter called "Mr. Busk"), JAMES K. WELSH of Scarsdale, New York, (hereinafter called "Mr. Welsh"), CHARLES D. RAFFERTY of Greenwich, Connecticut, (hereinafter called "Mr. Rafferty"), and HENRY V. B. SMITH of the Borough of Brooklyn, City of New York, (hereinafter called "Mr. Smith Jr."),

WHEREAS, the parties above named have been carrying on the business of buying and selling fertilizing materials and chemical agents at No. 271 Madison Avenue, Borough of Manhattan, City of New York, as a co-partnership under the name of "H. J. BAKER & BRO.", under a partnership agreement expiring by its terms on December 31, 1927; and

WHEREAS, Mr. Smith intends to continue said business and desires to continue the association of the other parties to this agreement with him as his junior partners, and the parties hereto desire to form a new partnership under the terms and conditions hereinafter set forth,

NOW, THIS AGREEMENT

WITNESSETH:

MS.
control
assess
fun

FIRST: The parties agree to become partners, to take over and carry on said business under the firm name and style of H. J. BAKER & BRO., as dealers in fertilizing materials, chemical agents, and such other goods, wares and merchandise as shall be agreed upon, in the City of New York, throughout the United States, and in such foreign countries as shall be mutually agreeable. The partnership shall continue for the term commencing on the 1st day of January, 1928 and ending on the 31st day of December 1928.

SECOND: Each of the parties hereto shall contribute as his capital the amount standing to his credit upon the books of the firm of H. J. BAKER & BRO., hereinbefore mentioned, at the close of business on the 31st day of December 1927 in his so-called "Capital Account". Mr. Smith's capital contribution consists in part of assets of the old firm of H.J. Baker & Bro., consisting of Mr. Smith and William H. Gelshenen, which was dissolved by the death of William H. Gelshenen on July 22, 1924, excepting from those assets, however, the investments in the stock of Wilson & Toomer Fertilizer Company and Holly Hill Grove & Fruit Company, which Mr. Smith has reserved to himself as his own private property. If upon the liquidation of the various items included in the assets of said old firm of H.J. Baker & Bro. (except inventory), any item shall realize more than the amount at which the item is carried

on the books at the close of business, December 31, 1927, the amount of such excess shall thereupon be added to Mr. Smith's capital and shall not constitute a part of the partnership profits, and if less shall be realized, the amount of such deficiency when finally ascertained shall be deducted from his capital and not from the partnership profits. His capital shall not, however, be deemed to have been so increased or diminished until any such excess shall have been realized or any such deficiency finally determined.

The partners may at any time, by mutual consent, increase or reduce their respective amounts of capital.

THIRD: Proper books of account shall be kept showing the business transactions of the partnership, to which each partner shall have access at all times, with the right to make copies or extracts therefrom. Monthly balance sheets shall be made up in the nature of trial balances showing the business transactions of the partnership for the preceding month and the estimated profits and losses so far as the same can be ascertained.

FOURTH: Settlements shall be made on the first day of January 1929, and if this agreement shall be renewed, on the first day of January in each succeeding year, and the net profits shall be distributed in the following proportions:

Mr. Smith	55%
Mr. Buck	15%
Mr. Welsh	10%

Mr. Rafferty 10%

Mr. Smith Jr. 10%

Before any distribution of profits is had, there shall be allowed and paid to each of the partners interest at the rate of six per cent. (6%) per annum upon the amount of his capital, and such interest shall be a charge against the business in the same way that interest on borrowed money and other expenses are charged.

Mr. Smith, however, guarantees to his junior partners respectively that their respective shares of the net profits will be at least at the rates set opposite their respective names, as follows:

Mr. Buck	at the rate of \$12,000. per annum;
Mr. Welsh	" " " " \$12,000. " " ;
Mr. Rafferty	" " " " \$12,000. " " ;
Mr. Smith Jr.	" " " " \$10,000. " " .

If at the end of any fiscal period, the share of the profits of any such junior partner shall be less than the amount set opposite his name, the deficiency shall be charged, first, against Mr. Smith's share of profits, and if his said share of profits is not sufficient, then against his capital. In the event that there shall be a net loss from the operations of the partnership, such loss shall be borne by Mr. Smith, it being the intention of the parties that the capital contribution of none of the junior partners, as the same shall stand on the books of the partnership, shall be decreased by such

FIFTH: Each of the partners may draw against his anticipated profits to such extent as from time to time may be mutually agreed upon.

SIXTH: In the event of the termination of the partnership for any reason other than the death of Mr. Smith, Mr. Smith shall have the exclusive right to decide whether the business shall be continued or be liquidated and discontinued, and, if he shall decide to continue the business, to purchase the interest of any deceased partner and/or of any of his junior partners; and in case he shall elect so to purchase, he shall pay for the interest so purchased by him only the amount of the capital of the partner whose interest is purchased, as the same shall stand on the books at the time of such termination, plus his share of the net profits and less the amount of the drawings and any amount which may be owed to the partnership by the partner whose interest is so purchased, without making any payment or allowance whatever for any real or supposed good will. To determine the amount so to be paid by Mr. Smith, the books shall be closed as of the close of business on the day of such termination, taking inventories at cost or market value as of that day, whichever shall be lower, and all other items at the values at which they are carried on the books on that day.

Upon such termination, however, Mr. Smith may at his

option elect to wind up the business and liquidate the same, taking such time therefor as he shall deem necessary or proper, and in such event he may at his option act as sole liquidating partner or in conjunction with the other partners, or such of them as he may select.

In any of the contingencies referred to in this paragraph, the partnership name or the name "H. J. BAKER & BRO.", and such good will in the firm, if any, as there may be, shall be and become the individual property of Mr. Smith and he shall not be liable to account or pay for the same. In determining the value of any partner's interest in the event of the liquidation of the business, the assets formerly belonging to the aforesaid old firm of H. J. Baker & Bro. and contributed by Mr. Smith as part of his capital, shall be governed by the provisions of Paragraph "SECOND" hereof.

If, however, the partnership shall terminate by reason of the death of Mr. Smith, then Mr. Smith Jr. shall have the same rights with respect to the continuance of the business, the liquidation thereof and/or the purchase of the interest of the deceased and/or any other junior partner as are hereinbefore given to Mr. Smith upon a dissolution of the firm, and the amounts to be paid by Mr. Smith Jr. upon the purchase of any such interest shall be determined in the same manner as hereinabove provided in case of the purchase thereof by Mr. Smith, without making any payment or allowance whatever for the firm name "H. J. BAKER & BRO." or any real or supposed good will. If the

partnership shall so terminate by reason of the death of Mr. Smith, then and in that event the firm name "H. J. BAKER & BRO." and such good will in the partnership, if any, as there may be, shall be and become the property of the surviving partners without their being obliged to pay or account therefor to the estate of Mr. Smith; provided, however, and upon the express condition, that so long as Mr. Smith Jr. shall live he shall have the exclusive right to the use of said firm name "H. J. BAKER & BRO." and to such good will, if any, as there may be, of the firm, and to the user thereof, without obligation on his part to pay for or account to the other surviving partners for such use.

If, in the event of the exercise by Mr. Smith or Mr. Smith Jr. of any such right to purchase the interest of any partner, a deficit shall be shown on the partnership books against the partner whose interest is so purchased, the partnership shall be entitled to the payment thereof from the partner whose interest is so purchased or from the estate of any deceased partner whose interest may be so purchased, and the purchaser of any such interest shall not be liable for such deficit.

SEVENTH: If, in the event of the death of any partner, the business shall not be continued, but is wound up and the assets are liquidated, the proceeds shall be applied to the payment of the partnership liabilities in the following order:

1. Amounts owing to creditors other than partners;
2. Amounts owing to partners other than capital and profits;
3. Amounts of the capital of the partners;
4. Amounts owing to partners in respect of profits.

It is the intention that upon any such liquidation after the partnership creditors have been paid, each partner shall

receive the amount of capital standing to his credit on the books at the time of dissolution and that all net profits arising either before or after the dissolution shall be shared by the partners in the proportions hereinbefore specified, except however, as to the assets originally contributed by Mr. Smith as his capital, as to which the provisions of paragraph "SECOND" shall apply.

In the event of any such winding up and liquidation, the liquidating partner or partners, as the case may be, shall have such time therefor as they shall deem necessary; and upon any accounting they shall be under no obligation whatsoever to account for or pay over anything or make any allowance whatever for good will.

EIGHTH: IT IS MUTUALLY UNDERSTOOD AND AGREED between the parties hereto, and it is the fact which they recognize, that the business of the partnership is of a peculiar nature; that it consists largely of the purchase of goods, wares, merchandise and raw materials on a more or less speculative basis, or the handling of the same on term brokerage contracts; and whether they are purchased by the firm in its own right or for others, it is necessary in practically every instance before sale can be made, to find a market therefor in competition with others handling the same class of goods; and that the success of the business is dependent almost entire-

ly upon the personal efforts of those who for the time being are the members of the partnership; and there is no assurance or belief on the part of the partners that any other person taking over the business or attempting to do so, or that any of them without the others, could carry on or conduct the same successfully, because there is in the business no element of "good will" or any thing in that nature to make this possible in the absence of the personal equation upon which the partnership relies almost exclusively for its success. Because of the absence of the elements which ordinarily constitute what is known as "good will" of a business, and the fact that the firm name was the sole property of Mr. Smith, it is provided in this agreement that upon dissolution no allowance shall be made for good will.

It is recognized by the partners that there have been in the decisions of the courts and in the policies of various taxing officials differences of opinion on the subject of good will, and so that there may be no doubt on the subject in any possible circumstances in which the question might arise, it is agreed by each partner with the others that he does hereby sell, assign, transfer and set over unto Mr. Smith all right, title and interest of every nature and description which might otherwise be held to be his, in and to any good will or anything in the nature thereof connected with said business, in the event of his

death, or other dissolution of the partnership as the result of which he is no longer associated with the business as a partner. This sale and assignment is made as an inducement to the making of this partnership and its operation.

NINTH: No partner during the continuance of the partnership shall assume any liability for another or others, by means of endorsement or becoming guarantor or surety without first obtaining the consent of the others thereto in writing.

IN WITNESS WHEREOF, the parties have duly executed these presents.

Signed, Sealed and
Delivered in the
Presence of:

<u>F. MORSE SMITH</u>	L.S.
<u>EDWARD A. BUCK</u>	L.S.
<u>JAMES K. WELSH</u>	L.S.
<u>CHARLES D. RAFFERTY</u>	L.S.
<u>HENRY V. B. SMITH</u>	L.S.

H. J. BAKER & BRO.

STATEMENT OF ASSETS & LIABILITIES (Old Firm) March 21, 1929.

ASSETS		LIABILITIES	
Cash on Hand and in Banks		Accounts Payable & Sundry Creditors	
Banks		Purchase Ledger	
Atlanta	229523.14	Sales Ledger	331049.61
Baltimore	20469.54	H. J. Baker & Bro. of Ariz. Special	2611.73
San Francisco	288.54	" " " Current	25272.54
B. A. Fertilizer Cash	5071.81	ARMY Ordnance Suspense	2290.14
Petty Cash	174.85	Ammonium Nitrate	827.72
Merchandise	500.00	Consignments	3260.44
Inventories		V. E. Shipping Board	3755.43
51 Estate		Alsebian Potash Propaganda	356.62
Charleston Property		Michigan Alkali Co.	33877.74
Furniture & Pictures		Edwards O'Houghlin & George	271.69
New York	4018.73	H. J. Baker & Bro. of Ariz. Loan No. 2	141.13
Atlanta	1046.82	Sundries Payable	210.53
Baltimore	361.64	F. P. Sanders	8473.03
Notes & Loans Receivable		Earl E. Jones	88.71
Jesup & Lamont	100463.19	Charles M. Phelps	160.01
Notes Receivable	38800.00	S. S. Phelps	1748.23
H. J. Baker & Bro. of Ariz. Loan	31043.96	F. H. Kooze	3386.42
Belmont Fertilizer Co.	14319.45	Emma E. Hoosa or Esther Heit	114.44
A. J. Ives	9240.12	Est. of Gilbert P. Raftery	4264.18
H. J. Simons Loan	5996.86	Jas. E. Henderson, Jr.	2311.50
H. S. McCormick Loan	1500.00	L. M. Bogie	395.16
J. B. Pratt Jr. Loan	1000.00	J. B. Pratt, Jr.	66.67
Andrew A. Asgard	1004.20	Otto A. Schreiber	44.75
William Callen Loan	1000.00		426252.58
Wm. Weidman Loan	200.00		
F. G. Sherry Loan	200.00		
L. C. Cramer Loan	100.00		
E. M. Kammer Loan	1000.00		
Michael Pertz. Co. Loan	182.50		
Continental Reed Prod. Loan	29.25		
Catoonsville Property	2500.00		
Deferred Assets			
	3392.78		
	208579.53		

Accounts Receivable & Sundry Debtors
 State of Soda Ledger 630604.83
 Sales Ledger 340957.76
 Purchase Ledger 18172.61
 Arabian Potash Ledger 9253.47
 Gibbs & Co. Commission 10109.14
 Texas Gulf Sulphur Co. 3580.49
 Indries Receivable 4620.48
 Lanta Suspense 2267.44
 Gibbs & Co. Reimbursement 528.69
 Fine Leases 225.12
 Expense 496.24
 Ltimore Suspense 133.50
 Genting Halse. Shipments 4157.86
 A. Fertilizer Suspense 8538.59
 E. Pepperday 23375.22
 Less - A. Gibbs & Co. 1057022.44
 630804.83

Elements
 Lerson Fertilizer Co.
 Stock 49200.00
 L. Baker & Bro. of Arg. Stock 43955.04
 Mineral Feed Prod. " 25000.00
 Mineral Salt Prod. Mortg. 21986.49
 " " Stock 20000.00
 " " 4287.73
 " " 500.00
 " " 13200.00
 " " 100.00
 177330.26

bbons accounts 45000.00
 Ler Carter Suspense 3698.34
 bbons Carter 12594.65
 61292.99
 -Keystone Wood Prod. Susp. 925.37
 60367.62

Missions Receivable
 State Ledger 5380.90
 S. F. M. Smith & C. D. Rafferty Joint 9873.59
 S. Nancy M. Smith

Due to Partners
 F. M. Smith Personal
 E. A. Buck
 H. V. B. Smith
 C. D. Rafferty

Less
 J. K. Welsh Stock

791115.11
 143209.75
 33796.57
 4411.72
 972533.15
 49252.74
 923280.41

426217.61

237697.88
 5756.45

15254.49

1481019.58

1481019.58

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 31, 1928.

ASSETS	
Cash on Hand and in Banks	413071.51
Bank	
Petty Cash	500.00
Atlanta	18252.36
Baltimore	437.12
San Francisco	4566.03
B.A. Fertilizer Cash	41.35
Merchandise	
Inventories	
Real Estate	
Investment Property	
Furniture & Fixtures	
New York	10677.18
Atlanta	1695.95
Baltimore	678.09
San Francisco	450.00
	13701.22
	7761.21
Depreciation	
Less & Loans Receivable	
Jessup & Lamont	100130.55
H.J. Baker & Bro. of Arg.	
Loans	31043.95
Bills Receivable	13217.15
Reliance Fert. Co.	14319.45
A. J. Ives	9240.12
H.J. Baker & Bro. of Arg.	
Loans No. 2	7975.27
H. J. Simons	5996.86
H. L. Dudley	1761.00
H.S. McCormick Loan	1800.00
H.B. Pratt Jr. Loan	1190.00
Andrew A. Asgaard	1004.20
William Callan	1000.00
H.P. Sanders	250.00
H. Meldrum Loan	300.00
H.G. Sherry Loan	300.00
H. Starnett Loan	100.00
C. Cramer Loan	100.00

432858.39
226768.81
8240.16
2940.01
169218.54

LIABILITIES	
Accounts Payable & Sundry Creditors	
Wilson & Foster Fert. Co.	66506.80
Purchase Ledger	60350.11
Alsatian Potash Propaganda	33877.74
H.J. Baker & Bro. of Arg. Special	27381.15
Sundries Payable	13244.61
Ammonium Nitrate	3250.44
H.J. Baker & Bro. of Arg. Current	2349.86
Army Ordnance Supplies	827.72
Michigan Alkali Co.	700.70
U. S. Shipping Board	356.62
Bart H. Jones	101.52
Edna B. Roosa & Her Rel t	4208.07
S.S. Phelps	3240.88
Rev. Gilbert P. Rafferty	3311.50
Charles W. Phelps	2231.56
F. H. Roosa	311.56
Private Ledger (Exclusive of Partners)	
Madeline G. Rafferty Prin.	26420.45
Corinne G. Rafferty Prin.	21968.94
Corinne G. Rafferty Prin.	18746.46
Madeline G. Rafferty Prin.	16548.44
Rev. Katherine G. Braker	11560.02
Mrs. Sarah L. Smith	11189.88
Arletta H. Smith	1072.75
Kather S. Welsh	1063.11
Kate L. Canfield	1030.27
Rev. W.H. Golehenen Income	32.02
Due to Partners (Prcl. of Partners)	108632.31
Joint Account	
F.H. Smith Personal	890362.02
F.A. Buck	146735.63
H.V.B. Smith	36038.64
Jas. K. Welsh	11382.44
C. D. Rafferty	22018.90
	110537.63
H.V.B. Smith Special	49462.01
C. D. Rafferty Special	35584.24
	85046.25

Fixed Assets

Insurance

Assets Receivable & Sundry Debtors
Frate Soda Ledger 465588.72
Less Ledger 236237.55
F'l City Bank Sterling 7715.00
Matian Pot. Ledger 9253.47
Gas Gulf Sulphur Co. 5529.69
Wries Receivable 7614.35
Hibbs & Co. Commission 2650.44
Santa Expense 610.41
Line Losses 523.66
Phor Imp. & Mfg. Co. 122.17
H. Pepperday 17.58
Hibbs & Co. Reimbursement 15.15
Signments 375.19
A. Gibbs & Co.
Debits

786458.38
465588.72

320869.66

erson Fertilizer Co. 49200.00
Baker & Bro. of Arg. Inv. 43956.04
tinential F. P. Co. 25000.00
Gordon & Co. 21409.62
Inaw Salt Prod. Co. 20000.00
onsville Property 4965.66
Phor Imp. & Mfg. Co. 4287.73
rican Whse. & Stge. Co. 500.00

169319.25

bons Accounts 45000.00
bons Carter 12594.65
er Carter Suspense 3698.34
61292.99
ays to new Prod. Co. 925.37

229686.87

60367.62

Smith & Co. Defferity
(B.W. Haynes)
Smith & Co. Joint 24763.79
Nancy M. Smith 9638.12
F.M. Smith & Co.
Defferity Joint 5310.09

105628.42

1521367.01

1521367.01

H. J. DAFER & SMO.

STATEMENT OF ASSETS & LIABILITIES - DECEMBER 31, 1927.

ASSETS

On hand and in Banks

City Cash	213412.00	
Atlanta	500.00	
Atlanta	11665.92	
Atlanta	443.97	
Atlanta	4146.61	
Atlanta	42.46	
Atlanta	230110.86	
Atlanta	256196.58	
Atlanta	362.31	
Atlanta	256568.89	
Atlanta	8240.16	
Atlanta	10871.94	
Atlanta	1630.96	
Atlanta	678.09	
Atlanta	450.00	
Atlanta	13630.98	
Atlanta	5766.30	
Atlanta	7904.68	
Atlanta	124027.51	
Atlanta	31043.96	
Atlanta	20914.58	
Atlanta	9240.12	
Atlanta	5896.86	
Atlanta	1761.00	
Atlanta	1500.00	
Atlanta	1500.00	
Atlanta	1475.00	
Atlanta	1000.00	
Atlanta	200.00	
Atlanta	200.00	
Atlanta	100.00	
Atlanta	100.00	
Atlanta	199049.03	
Atlanta	3352.36	

LIABILITIES

Accounts Payable Sundry Creditors:

Purchase Ledger	61847.15	
Atlanta Polish Propaganda	33877.74	
Sandries Payable	9368.36	
Stock Subscription	3500.00	
Atlanta Nitrate	3250.44	
Commitments	994.20	
Army Ordnance Expense	827.72	
U. S. Shipping Board	356.62	
Michigan Alkali Co.	354.40	
Gibbs Commission	224.06	
Earl B. Jones	1669.40	
Est. Gilbert F. Rafferty	14204.90	
S. S. Phelps	6956.24	
Emma B. Rosa Fisher Helit	3868.93	
F. H. Rogers	1124.37	
W. F. Welsh	200.29	
Notes Payable	142623.95	
Private Ledger (Excl. of Partners)	200000.00	
Corinne G. Rafferty	20370.17	
Madeline G. Rafferty Prin.	16377.81	
Est. Katherine G. Draper	11696.99	
Corinne G. Rafferty Prin.	7832.79	
Madeline G. Rafferty	3000.00	
Madeline G. Rafferty	1034.68	
Madeline G. Rafferty	453.64	
Est. W. H. Galschen Income	79.35	
Due to Partners (Excl. of Partners Joint Acct.)	61065.33	
F. H. Smith Personal	887894.20	
E. A. Buck	126269.49	
H. V. E. Smith	28521.87	
Jas. K. Welsh	7176.37	
C. D. Rafferty	17193.16	
C. D. Rafferty Special	25950.76	

Accounts Receivable Sundry Debtors

Gas Ledger	276168.54
Sulfate Soda Ledger	259464.95
J. Baker & Bro. of Arg.	111528.99
Indries Receivable	19593.46
Isatlian Potash Ledger	9253.47
Texas Gulf Sulphur Co.	5527.07
Planta Office Suspense	951.09
M. Bogie Special	555.55
J. Daniels Suspense	432.27
Expense	400.00
Phosphor Imp. & Mfg. Co.	378.77
Vine Losses	285.01
Gibbs & Co. Reimbursement	269.13
Itimore Office Suspense	207.50
A. Gibbs & Co.	
Students	

584625.81
259464.95

425150.86

Herson Fertilizer Co.	49200.00
J. Baker & Bro. of Arg. Invest.	43956.04
Phosphor Imp. & Mfg. Co.	41787.75
Continental Feed Prod. Co.	25000.00
Ginaw Salt Prod. Co. Mtge.	21409.82
Ginaw Salt Prod. Co. Invest.	20000.00
Phons Accounts	45000.00
Phons Carter	11841.61
ler Carter	3698.34
	30539.95
	925.37

201353.59

59614.58 260968.17

Keystone Wood Prod. Co.	50817.43
ate Ledger	
L. Smith & CD Raftery W. Haynes	31405.99
R. Smith & J.K. Welsh	20121.94
R. Smith & J.K. Welsh Jr.	5004.80
S. F.M. Smith & CD Raftery Jr.	

107350.16
1498695.17

1498695.17

ASSETS

On Hand and in Banks		
Cash	664534.91	
Atlantic	500.00	
Baltimore	147.84	
Marbleton	571.42	
San Francisco	79.13	
Western	1994.66	
J. J. Fertilizer Co.	49.02	
Handies	316.30	
Key	158111.70	
Fertilizer at B.A.	1445.62	
Field	327.17	
Real Estate		
Marbleton Property	153914.49	
Marbleton and Pictures	6240.16	
York		
Marbleton	7298.09	
Marbleton	1086.29	
Marbleton	646.69	
Marbleton	401.23	
Marbleton	450.00	
Marbleton	9866.30	
Marbleton	4204.24	
Depreciation		
Marbleton Receivable	51185.85	
Marbleton & Bro. of Lys.	31043.96	
J. J. Fertilizer	9240.12	
J. J. Fertilizer	5996.86	
J. J. Fertilizer	1761.00	
J. J. Fertilizer	1500.00	
J. J. Fertilizer	200.00	
J. J. Fertilizer	1000.00	
J. J. Fertilizer	200.00	
J. J. Fertilizer	100.00	
J. J. Fertilizer	50.00	
Marbleton Golf Club Deposit	106237.79	
Marbleton		
Marbleton	1960.77	

LIABILITIES

Accounts Payable & Sundry Creditors		
Purchase Ledger	89748.12	
Association Potash Propaganda	33877.74	
Association Nitrate	3250.44	
Sundries Payable	1722.76	
Consignments	1265.99	
Army Ordnance Supplies	637.72	
U. S. Shipping Board	266.62	
San Francisco Off. Comm.	207.87	
Marbleton & Son	19313.62	
S. S. Phelps	6135.56	
Marbleton & Son	3647.46	
P. H. Rogers	3231.41	
T. J. Denile and D. Voss	1501.34	
Geo. W. Buchanan	429.01	
J. N. Whitaker	3.11	
Marbleton & Son	250.00	
H. J. Baker & Son, Old Loan No. 2	157751.47	
Private Ledger (Exclusive of Partners)	17236.44	
Marbleton & Son, Partnership Prin.	59260.78	
Marbleton & Son, Partnership Prin.	49567.36	
Marbleton & Son, Partnership Prin.	32322.01	
H. J. Baker & Son, Old Firm Ad.	24404.12	
Marbleton & Son, Partnership	23534.68	
Marbleton & Son, Partnership	4500.00	
Marbleton & Son, Partnership	1405.04	
Marbleton & Son, Partnership	328.11	
Marbleton & Son, Partnership	195163.11	
Marbleton & Son, Partnership	332007.13	
Marbleton & Son, Partnership	154129.48	
Marbleton & Son, Partnership	32103.78	
Marbleton & Son, Partnership	23324.10	
Marbleton & Son, Partnership	16307.19	
Marbleton & Son, Partnership	1129731.28	
Marbleton & Son, Partnership	58881.32	
Marbleton & Son, Partnership	565.94	
Marbleton & Son, Partnership	59146.16	

STATEMENT OF ASSETS AND LIABILITIES - DEC. 31, 1925.

ASSETS

Cash on Hand and in Banks

Banks	288449.26	
Payable Cash	500.00	
Atlanta	405.64	
Baltimore	1500.01	
Charleston	528.58	
San Francisco	1166.98	
San Antonio	288.43	
B/A Fertilizer Cash	6933.76	301770.66
Accounts Receivable		
Baker	334214.51	
Fertilizer at B/A	5169.37	
Labels	343.93	339787.87
Real Estate		
Charleston Property		8240.16
Insurance and Fixtures		
New York	7202.09	
Atlanta	1002.79	
Baltimore	217.03	
Charleston	161.23	
	8583.20	
	2456.35	6126.86
Less Depreciation		
Less and Loans Receivable		
Bills Receivable	52535.39	
H. J. Baker & Bro. of Ark.	31045.96	
J. J. Ives	9240.12	
E. J. Simons	6396.86	
M. Callan	1000.00	
V. D. Clark	301.75	
M. Waldmann	300.00	
H. Starnett	100.00	
C. Cramer	100.00	
Fluid Hills Golf Club	20.00	
E. Schneider	15.00	101653.08
Fixed Assets		
Depreciation		3276.78

LIABILITIES

Accounts Payable & Sundry Creditors

Purchase Ledger	40559.87	
Alston E. Propaganda	35877.74	
Consignments	5877.80	
Ammonium Nitrate	3250.44	
Sundries Payable	2424.58	
Army Ordnance Expense	327.72	
U. S. Shipping Board	356.62	
Louisiana State Univ.	17.25	
Harry E. McIlroy	5599.71	
S. S. Phelps	3941.65	
F. E. Rogers	3557.74	
James D. Rose	2556.69	
Geo. H. Edmunds	1798.42	
F. J. Daniels D Voss	458.03	
W. E. & E. M. Phelps	142.43	106046.69

Private Ledger (Exclusive of Partners)

Cortine G. Raftery Priv.	40680.48	
H. J. Baker & Bro. Old Firm Adj.	30800.00	
Est. of Katherine Breker	26693.63	
Cortine G. Raftery	10831.56	
Matilda H. Brown	7000.00	
Estelaine G. Raftery	5645.24	
Est. of Walter D. Gelshamer	5036.35	
M. G. & C. G. Raftery Jr.	944.83	
Est. of W. H. Gelshamer Income	159.89	
Due to Partners (Bal. of Partners Joint Accts.)		127772.01
F. E. Smith Personal	900680.48	
E. A. Buck	124068.32	
Jess. F. Welsh	26042.63	
Henry V. B. Smith	30193.69	
Chas. D. Raftery	15277.77	1095962.89
Chas. D. Raftery Special	6617.55	
Henry V. B. Smith	2133.62	6651.17

Accounts Receivable and Sundry Debtors	
Nitrate Soda Ledger	437341.51
Sales Ledger	147634.41
A. J. Baker & Bro. of Arg.	61265.15
Potash Importing Co. of A.	27099.57
Asiatic Potash Ledger	9920.81
Texas Gulf Sulphur Co.	5311.03
Gibbs Commission	2717.10
Gibbs Receivable	1191.46
Borrow & Loan	989.41
C. R. Jones	400.00
Marine Losses	328.72
Amphor Imp. & Mfg. Co.	145.27
Charleston Suspense	105.00
Gibbs & Co. Reimburse	104.18
Iron Co. Reimburse	24.54
Ass A. Gibbs & Co.	
	<u>694578.16</u>
	<u>437341.51</u>

257236.65

Debitments	
Anderson Fertilizer Co.	49200.00
A. J. Baker & Bro. of Arg.	43955.04
Amphor Imp. & Mfg. Co.	41767.73
Argine Salt Prod. Co. Mtg.	21792.05
Argine Salt Prod. Co. Inv.	20000.00
Argine Salt Prod. Co. Phosphat	5077.55
Argine' D' Etudes	105.78

181919.16

Debits	
Accounts	45000.00
Mer-Carter Suspense	3698.34
Phons Carter	3370.83
	<u>52069.17</u>
Keystone Wood Prod. Co.	925.37

233062.96

51143.80

State Ledger	
M. Smith O'Rafferty &	
J. K. Welsh Jr.	31966.96
T. of W. H. Gelsheisen Jr.	22118.42
M. Smith O'Rafferty K. W.	
Haynes	16162.67
Leoline G. Rafferty Priv.	13601.28
P. M. Smith O'Rafferty Jr.	2590.42

86459.75

1337434.76

1337434.76

H. J. BAKER & CO.

STATEMENT OF ASSETS & LIABILITIES - DEC. 31, 1924.

ASSETS

CASH ON HAND IN BANKS	
Banks	
National City Bank Bkg.	412845.86
Petty Cash	2766.88
Atlanta	800.00
Baltimore	684.34
Charleston	3961.65
San Francisco	318.18
Savannah	1981.06
Merchandise	448.72
Baker	423500.69
Portillier & Buenos Aires	108666.31
Buenos Aires Merchandise	3592.51
Gibbons	163742.56
British Cyanides Co. Jr. &c	1649.48
Real Estate	2587.20
Charleston Property	280226.16
Gibbons Irvington Propy.	6240.16
Fixture and Fictures	11282.44
Atlanta	19522.60
Baltimore	799.16
Buenos Aires	217.09
Charleston	2160.97
New York	151.23
San Francisco	7087.09
Loans and Loans Receivable	1286.52
His Receivable	11712.06
E. Gibbons Loan	19440.00
J. Simons	1500.00
S. McCormick	6996.86
Weidmann	100.00
Callan	200.00
H. Bogle	1000.00
R. Starnett	500.00
L. Ives	100.00
	601.20
	30438.06

LIABILITIES

Accounts Payable and Sundry Creditors	
Buenos Aires Work Fund	97906.01
B/A Sundries Payable	41650.83
A. G. & Co. Reimbursement	289.91
B/A Cylinder Deposit	191.23
Purchase Ledger	39515.65
Ammonium Nitrate	3250.44
Army Ordnance Expense	827.72
Societe Commerciale	2834.00
U. S. Shipping Board	356.62
Warner Chem. Co. Secor	14164.27
Alsatian Pot. Propaganda	35877.74
Sundries Payable	10852.84
S. H. Honeybent	20375.06
Henriette Broker	3000.00
Mary E. McIlroy	17827.55
S. L. Phelps	5313.03
F. H. Hoese	6186.98
Emma B. Hoese	2411.98
W. E. & M. H. Phelps	322.31
	306118.73
Reserve Unearned Interest	
	463.98
Reserved Depreciation F. & F.	
	998.27
Private Ledger (Exclusive of Partners)	
	71305.81
Due to Partners	
F. H. Smith Personal	838360.95
B. A. Buck	102782.03
Henry V. B. Smith	22020.16
Jas. K. Welsh	15436.67
Chas. D. Rafferty	5288.13
Chas. D. Rafferty Special	5769.03
Henry V. B. Smith	713.23
	983886.94
	6482.26

DEFERRED ASSETS

Insurance	1455.18
Telephone Teleg. and Cable	50.50
Accounts Receivable & Sundry Debtors	
Buenos Aires Accts. Rec.	54191.79
Buenos Aires Consignments	118.09
Argentinian Potash Ledger	56547.42
Baker Sales Ledger	193482.20
Borrow & Loan	862.04
Nitrate Soda Ledger	539761.27
A. Gibbs & Co. Com. on Sales	2366.07
Marine Losses	4708.79
Socow Chemical Co.	30171.41
Sundries Receivable	2408.97
Socow Chemical Co. Warner	14154.27
Warner Chemical Co.	6594.69
Texas Gulf Sulphur Co.	5563.38
Caaphor Imp. & Mfg. Co.	155.17
Potash Imp. Co. of Am.	27611.21
W. L. Gilbert	6.00
A. Gibbs & Co.	

938622.77
539761.27

399061.50

Investments

Anderson Fertilizer Co.	29400.00
Amphor Imp. & Mfg. Co.	41787.73
Aracacoeche Phosphate	5077.56
Arginaw Salt Products Co.	20000.00
Arginaw S. P. Co. Mortgage	24861.06
Acciete 'D'Etudes	105.78
Gibbons Accounts	4500.00
Baker Carter Suspense	2261.35
Gibbons Carter	1305.11
W. Gibbons Personal	4075.01
	52659.27
	925.27

121232.12

51734.10

172966.22
2408.31

Wystone Wood Products Co.
Unders at Buenos Aires

State Ledger

State W. H. Gelsheisen Jr.	23510.67
J. Baker & Bro. Old Firm	1402.14

24912.71

1366255.99

1366255.99

1505.68

H. J. BARTER & BRO.

INCOME & LOSS OF TRADING - MARCH 21, 1929.

Gross Sales
Brokerage

1257286.16
340.19

Inventory Dec. 31, 1928
Inventory Jan. 1, 1929.
Inventory Mar. 21, 1929

213866.28
1264545.90
1638411.18
316425.61
1251985.57

Income from Operations

4960.40
1256945.97

1256945.97

General Expense

17309.37

Income from Operations (as above)

4960.40

Traveling

3773.78

Telephone Telegrams & Cable

4042.34

Office Rent

2248.13

Post Office Service

537.79

Office Expense

1933.65

Advertising

872.03

Depreciation

1139.97

Losses

461.07

Accounts

747.20

Life Insurance

329.25

Change

226.87

Freight Expense

92.24

Freight Stock Expense

417.33

Freight Soda Agency Expense

200.58

Office Expense

617.91

Losses

5174

Chicago

6027.48

St. Louis

2262.55

San Francisco

13.94

West Expense Partners

1060.28

H. Smith

A. Mack

B. Smith

D. Rafferty

K. Welsh

Loss at March 21, 1929

9232.07

Income from Agencies
Nitrate Soda
Sulphur

19486.65
1248.30

32034.95

Income from Trading
Fertilizer

12898.43

Drugs & Chemicals

609.08

Sulphate Ammonia

2526.60

Cotton Seed Meal

85.50

Feeding Materials

3232.76

Freight Materials

743.44

Freight Stock

1632.71

Freight Income

137.37

Freight Income

4.31

Miscellaneous Income

161.98

Interest

22025.60

Salvatore Office

6442.23

Steamer Brokerage

9503

Shocks

572.57

100.00

6019.77

Greatest Expense

Association Furniture & Fixtures

Gentile Company Operations
in Francisco Office Furniture
& Fixtures

L. Dudley
D. Pratt, Jr. Loan
H. Starrett
Monroville Property
Apollite Co. Stock

1670.50

162.68

7904.50

97.64

1751.00

190.00

100.00

2488.81

2541.85

74272.77

74272.77

PROFIT & LOSS STATEMENT

DECEMBER 31, 1928

Gross Sales
Brokerage

4356593.25
981.46

Inventory Dec. 31, 1927
Purchases Jan. 1 Dec. 31, 1928
Inventory Dec. 31, 1928
Net from Operations

240566.85
4098258.77
4336827.62
213865.28
4124962.34
230649.45
4355611.79

4355611.79

General Expenses

Salaries
Traveling
Telephone, Telegrams & Cable
Office Rent
Legal Service
Office Expenses
Entertaining
Advertising
Stationery
U.S. Buck South American Trip
Donations
Postage
Fares
Accounts
Group Life Insurance
J. Daniels Expense
Exchange
Private Soda Agency Expense
Telephone Expense
Glue Stock Expense

77214.43
10191.88
15911.94
10582.94
2500.00
5538.54
4595.81
4735.65
2832.50
5545.85
10.00
2327.72
259.14
1250.62
538.55
3489.44
154.70
181.95
11.50
650.35

147861.11
1054.25

Income from Operations (as above)

230649.45

Income from Agencies

Nitrate Soda
Sulphur

65810.06
79724.15

145534.18

Income Securities

Anderson Fertilizer Co.

7530.00

Income from Sale Securities

Virginia Carolina Chem. Co. Preferred

442.50

Income Trading

Nitrate Soda
Fertilizer
Drugs & Chemicals
Camphor
Sulphate Ammonia
Cotton Seed Meal
Packing By Products
Feeding Materials
Hide Glue Stock

236.91
26519.64
2414.37
269.09
1190.69
365.75
8151.00
2132.61
1097.79

42423.44

Branch Offices Expense
Atlanta Office Expense
Baltimore " "
Charleston " "

29582.71
11307.26

39891.07
175.92

Interest to Partners

F. M. Smith
E. A. Buck
H. V. B. Smith
C. D. Rafferty
J. K. Welsh

48553.91
7667.60
1651.65
819.41
707.74

Interest Expense

58485.03
8766.98
2330.92

Appreciation Furniture & Fixtures

Dease

Labels

Argentine Co. Operations

339.16
60905.95

61245.11

Profit at Dec. 31, 1928.

157769.49

477599.99

Argentine Income
Argentine Interest
San Francisco Off. Operations

2789.61
2245.35
304.54

5339.50

47767.94

Miscellaneous Income

Interest
Baltimore Office
Steamer Brokerage
Shocks
Paper Towels & Cabinets at
B.A.
F. J. Daniels Income
Geo. B. Cope Trustee Venture

22182.54
768.67
1470.53
282.00
5.14
5.18
22960.86

47675.92

477599.99

PROFIT & LOSS STATEMENT

DECEMBER 31, 1927.

Gross Sales
Brokerage

3363227.36
1853.54

Inventory Dec. 31, 1926
Purchases Jan. 1, Dec. 31, 1927
Inventory Dec. 31, 1927
Gain from Operations

149282.26
3309152.00
3458458.26
240586.85
3217849.41
143524.41
3361373.82

3361373.82

Income from Operations (as above)

143524.41

Income from Agencies

German Potash
Nitrate Soda
Sulphur

33016.91
32907.60
74746.68

140671.09

Income Securities

Texas Gulf Sulphur Co. 300.00
Kopper's Gas & Coke Co. 701.39
Montana Power Co. 673.61
Income from Sale of Security

1675.00

Income from Power Co. Bonds

Montana Power Co. Bonds 700.00
Kopper's Gas & Coke Co. 762.50
Texas Gulf Sul. Co. Stock 1345.50
Am. Ag. Chem. Co. Common 42.00
" " " Preferred 48.00
Vir. Car. Chem. Co. 557.00

3455.00

Income Trading

Fertilizer 23556.69
Packing By Products 6843.44
Camphor 334.89
Drugs & Chemicals 2039.61
Sulphate Ammonia 1288.55
Cotton Seed Meal 106.34
Feeding Material 2548.45
Nitrate Soda Income 599.06
Argentine Income 4178.12

160625.96
147.88
586.52
35.40
750.00

General Expense
Salaries
Traveling
Telephone Telegram Cable
Office Rent
Legal Service
Office Expense
Entertaining
Advertising
Stationery
A. A. Buck European Trip
Donations
Postage
Taxes
Accounts
Group Life Insurance
J. Daniels Expense
Exchange
German Potash Expense
Nitrate Soda Expense
Sentine Expense
Aluminate Expense
Office Expense
Lumber Office Expense
Chicago
Kansas
Wesston

83962.60
9968.66
14110.39
11500.04
7656.17
9151.53
4459.66
4515.76
2353.85
4668.30
590.00
1924.49
1023.76
688.62
572.76
2910.39
62.20

22637.61
12115.16
6410.79
5686.56

37317.13

Interest to Partners

F.A. Smith
 E.A. Buck
 H.V.B. Smith
 C.D. Rafferty
 Jas. K. Welch
 Interest Expense

Depreciation Furniture & Fixtures

Losses

Argentine Company Operations
 J. S. McEwen (Sales Led.)
 Union Soap Co. (" ")
 Charleston Furn. & F.

Profit at Dec. 31, 1927

51953.33
 7434.88
 1515.73
 1758.22
 88.24

63050.40
 9720.65
 1648.75
 28975.18
 761.22
 250.50
 54.54
 46586.25

360043.27

Argentine Interest Inc. 5013.76
 San Fran. Off. Operations 4145.48

13337.36

Miscellaneous Income

Interest 16353.60
 Baltimore Office 582.53
 Steamer Brokerage 1233.93
 Shocks 950.00
 Paper Towels & Cabinets
 at B.A. 140.39
 Buenos Aires Pension Fund 679.09

20049.53

Gain
 Quinn Laboratories (Par. Led.)

13.75

360043.27

PROFIT & LOSS STATEMENT

December 31, 1926

Gross Sales
Brokerage

1844157.32
1568.32
1844588.80

Inventory Dec. 31, 1925.
Purchases Jan. 1, Dec. 31, 1926
Inventory Dec. 31, 1926
Gain from Operations

259807.44
1597318.66
1927125.59
1492832.26
1777843.73
64745.07
1842588.80

Income from Operations (as above)

64745.07

Income from Agencies

German Potash
Nitrate Soda
Sulphur

135593.42
84351.06
77120.45

297044.91

Income Securities

Camphor Imp. Mfg. Co.
Anderson Fertilizer Co.
Curacaoische Phosphate

12000.00
7530.00
361.50

13891.50

Income Trading

Fertilizer
Packaging By Products
Camphor
Drugs & Chemicals
Sulphate Ammonia
Cotton Seed Meal
Feeding Material

27285.63
6232.20
4398.70
1735.67
814.38
553.77
293.27

41414.82

Loss Profit By Products Operations

195.99

41218.83

Calcium Arsenate
Argentine Interest

6051.81

19821.49

General Expense

Salaries
Traveling
Telephone Teleg. & Cable
Office Rent
Legal Service
Office Expense
Entertaining
Advertising
Stationery
Schurman European Trip
Donations
Postage
Fares
Discounts
Group Life Insurance
German Potash Expense
Nitrate Soda

95286.79
13970.70
12661.29
7833.36
7585.77
6566.78
6537.59
4845.71
2065.52
1598.76
1565.00
1528.88
1017.74
997.53
562.20
1051.86
412.82
155705.62
1464.68

Each Office Expense

Leath Office Expense
Hennish "
Altimore "
Burlington "
San Francisco "

80763.75
10281.44
9645.20
9482.55
4556.49

54729.44

Interest to Partners

R. M. Smith
E. A. Buck
H. V. B. Smith
C. D. Rafferty
Jas. X. Welsh
Interest Expense
Calcium Arsenate Expense
Argentine Expense

61534.76
7295.82
1928.79
1836.28
864.42

Depreciation Furniture & Fixtures

Losses

Argentine Company Operations
H. L. Willet (Sales Ledger)
Quinn Laboratories (Purch. Ledger)
Profit at December 31, 1926

83748.75
22.14
12.75
83784.64

83058.24

472266.44

Argentine

San Francisco Off. Operations
from Aug. 24, 1926
San Francisco Off. to Aug. 24, 1926
Miscellaneous Income
Interest
Baltimore Office
Steamer Brokerage
Shocks
Taurisana
Paper Towels & Cabinets at B.A.
Exchange

2928.99
862.72
77.42
5900.94

16866.41
2495.72
843.56
200.00
146.36
89.70
1.95

20643.70

472266.44

H. J. BAKER & BRO.

PROFIT AND LOSS STATEMENT - DECEMBER 31, 1925

Inventory Dec. 31, 1924
Purchases Jan. 1, Dec. 31, 1925
Inventory Dec. 31, 1925

108646.31
2524867.10
2535632.41

Gross Sales
Brokerage

2440775.75
921.08
2439854.64

Gain from Operations

329807.44
2303715.97
136138.67
2439854.64

General Expense

Salaries

Telephone Telegraph & Cable

Traveling

Office Expense Miscellaneous

Entertainment

Legal Service

Office Rent

Stationery

Advertising

Schuman European Trip

Postage

Discounts

Taxes

J. K. Smith Mixture

Group Life Insurance

Donations

German Potash Expense

Private Soda

Alcohol

91744.17
13352.28
10069.28
6161.90
7556.41
7392.67
4500.00
3105.57
3066.98
1806.56
1714.10
1074.46
1054.15
706.44
571.59
494.00
8079.52
1362.54
651.37

16659.56
10293.43

Income from Operations
Income from Agencies
German Potash
Nitrate Soda
Sulphur
Income Securities
Anderson Fertilizer Co.
Income Trading
Fertilizer
Campbor
Drugs & Chemicals
Profit By Products Operations
Sulphate Ammonia
Calcium Arsenate
Buenos Aires Merchandise

169277.42
82466.15
59208.96

311962.53

5860.00

26596.07
4564.85
2960.51
1632.60
617.32

36671.35

4714.30

10272.03

Buenos Aires Office
Argentine
Argentine Interest
Miscellaneous Income
Interest
Steamer Brokerage
Exchange
Baltimore Office
H. J. Baker & Bro. of Argentine Adjustment

959.37
1935.38
2065.72

5009.47

San Francisco Office
Argentine
Argentine Interest
Miscellaneous Income
Interest
Steamer Brokerage
Exchange
Baltimore Office
H. J. Baker & Bro. of Argentine Adjustment

16139.14
1224.68
85.71
2297.67

18745.20

2365.85

19646.51
18844.66
10453.18
9756.28
9361.57
7811.66

75863.85

18745.20

2365.85

2365.85

Interest to Partners

F. H. Smith 47586.68
H. A. Buck 6106.99
Jas. K. Welch 873.36
C. D. Rafferty 335.17
H. V. B. Smith 1429.56

Interest Expense

Arcentine Expense

Calcium Arcenate Expense

Losses

Paper Towels & Cabinets at Buenos Aires 1130.84
Devilled Ham 580.88
Miscellaneous Exports 62.40
Arcenate Experiment
San Francisco Office Furniture & Fixtures
R. F. Lopez 10.89
Layauer Drug Co. " 86.00
British Cyanides Co. Pur. "

Precision Furniture & Fixtures

Profit at Dec. 31, 1925

Buenos Aires Income Exchange

56331.76
11180.75
26.80
1677.17

1743.82
3134.82
468.29
96.89
84.02

2005.46
216679.62

536935.94

536935.94

H. J. BAKER & BRO.

PROFIT & LOSS STATEMENT - July 22, 1924 - December 31, 1924.

Inventory July 21, 1924	111886.63	Gross Sales	725789.83	
Purchases to Dec. 31, 1924	676205.01	Brokerage	358.14	
Total First Cost	789491.64	Net Sales	725431.69	
Inventory Dec. 31, 1924	108656.31			
Gain from Operations	680855.33			
	44596.36			
General Expenses	733431.69			
Salaries	40431.99	Income from Operations		44596.36
Interest	8383.40			
Travelling	4266.15	Income from Agencies		
Telephone Teleg. & Cable	3823.69	German Potash	88001.84	
Entertaining	2951.02	Nitrate Soda	28235.91	
Legal Service	3413.88	Sulphur	25201.05	141428.80
Office Rent	1996.97			
Stationery	2108.34	Income from Trading		
Advertising	1034.65	Sulphur	186.67	
Postage	862.40	Drugs & Chemicals	308.09	
Discounts	170.69	Fertilizer	9318.29	
Repairs	928.57	Buenos Aires Office Merchandise	29376.87	
Office Expense Miscellaneous	3786.35	British Cyanides Co. Joint Acct.	6.18	
Buenos Aires Income & Exchange	5745.97	Gibbons Venture	151.51	
Miscellaneous Exports	176.92	Profit By Products	4441.50	28906.39
Sulphur	417.50			
Nitrate Soda	400.00	Income Securities		
German Potash	12283.62	Liberty Bond		4.64
Branch Office Expense		Miscellaneous Income		
Buenos Aires	24847.84	Baltimore Office	2630.83	
Atlanta	8465.87	Interest	7566.50	
Baltimore	4482.09	Steamer Brokerage	992.64	
Charleston	4080.50	Exchange Account	73.22	11262.19
San Francisco	4040.24			
Bavannah	4340.65			
				50157.17

Interest to Partners

F. E. Smith	20187.83
E. A. Buck	2596.74
Jas. K. Welch	372.89
C. D. Bailety	147.96
H. V. E. Smith	555.02

Depreciation Furniture & Fixtures

Profit December 31, 1924

23861.44

995.27

65020.25

236198.58

236198.58

INCREASE OR DECREASE OF ASSETS TO DECEMBER 31, 1929.

REFERENCE	DATE	EXPLANATION	NO.	INCREASE	DECREASE
565	May 4/10	Comm. on Hide Glue Stock Sale	59	73.87 ✓	
30	June 13	Commission from Armour & Co.	59	50.00 ✓	
30	" 13	Refund of Duty	36	18.60 ✓	
32	" 19	Payment by Insur. Co. on loss Soya Bean Meal	36	612.64 ✓	
32	" 19	Refund of Duty	36	3.87 ✓	
651	" 12	Allowance to Gulf Fertil. Co. on Fish Compound	31		168.55 ✓
701	4/17	Allowance to Floggs-Empire Feed Mills, Inc.	31		12.22 ✓
667	" 13	Payment by Insur. Co. on loss Bonemeal	36	9.12 ✓	
33	" 25	Refund of Tax from Drug & Chemical Club	36	29.08 ✓	
33	" 25	Comm. paid by Georgia Fertil. Co.	59	11.12 ✓	
801	" 11	Allowance to James Gordon & Co.	32		111.96 ✓
882	" 11	" from H. Fasting, Rotterdam	32	137.50 ✓	
33	" 26	Comm. from John A. Gebeleln Inc.	59	9.60 ✓	
37	July 6	Amount rec'd from sale 10 bags Soya Bean Meal (damaged)	36	955.40 ✓	292.73
38	" 8	Payment from Erie R.R. Co. covering excess freight	36	10.52 ✓	
951	" 2	Interest from I. P. Thomas & Son Co. to 3/21/29	31	12.22 ✓	
955	" 11	Comm. from Chemische Fabrik Kalbe	32	117.11 ✓	
971	" 8	Interest from I. P. Thomas & Son Co. to 3/21/29	31	111.80 ✓	
				15.82	
46	Aug. 10th	Amount rec'd from Bergstrom Trading Co. in reimbursement	36	1222.87	292.73
47	" 26th	Comm. from Adair & McCarty Bros.	59	40.59 ✓	
1177	" 31	Allowance to Chas. Page & Co. for overpayment	59	221.47 ✓	4.81
1201	Sept. 3	Payment from South Atlantic S/S Co. - covering short delivery	32		
1214	" 8/24	Interest from Atlanta Bank (1/1/29 to 3/21/29)	36	59.33 ✓	
1227	" 6/28	Comm. from Inter. Agric. Corp.	36	75.73 ✓	
55	" 13	Refund of wharfage on Whale Guano	59	415.93 ✓	
55	" 16	Comm. from Atlanta Chemical Co.	36	116.69 ✓	
1262	" 5/31	Refund from F. Perles & Hnos - on Dried Blood	59	64.37 ✓	
1264	" 17	Refund from F. Perles & Hnos - on Dried Blood	36	116.77 ✓	
1265	" 17	Brokerage from Potter Transportation Co.	31	103.61 ✓	
1273	" 19	" "	31	103.61 ✓	
56	" 20	Interest from F. M. Kammer - 3/16 to 3/21/29	25	10.05 ✓	
292	" 6/14	Refund of duty on entry of Mar. 13/1929	36	.85 ✓	
302	" 28	Allowance by H. Fasting, Rotterdam	36	11.75 ✓	
59	" 30	Payment by Insurance Co. on loss Soya Bean Meal	32	69.39 ✓	
		Comm. from Inter. Agric. Corp.	36	332.66 ✓	
			59	390.06 ✓	

REFERENCE

DATE

EXPLANATION

		NO.	INC. DECREASE	DECREASE
1354	Oct. 8/31	✓		
61	" 2	36	87.13 ✓	
1392	" 14	36	9.50 ✓	
1412	" 22	36	215.12 ✓	
1448	" 31	31	97.20 ✓	
64	" 15	31	53.73 ✓	
1525	Nov. 4th	15	43.48	243.34 ✓
1524	" 4th	31		306.18 ✓
73	" 14th			
1563	Dec. 19	36	28.00 ✓	
1781	" 3/22	36	77.84 ✓	
	" 31	36	48.32 ✓	
264	Sept. 11	43		8.44
		57	500.00 ✓	
			4412.42	852.50

NO.	INCREASE	DECREASE	S U M M A R Y	NET INCREASE	NET DECREASE
15	43.48	-		43.48	
25	.83	-		.83	
31	397.52	727.29			
32	318.59	116.77		201.92	329.77
36	1828.35	-		1828.36	
43	-	8.44			8.44
57	500.00	-		500.00	
59	1236.42	-		1236.42	
62	87.13	-		87.13	
	4412.42	852.50		3896.13	368.21

Schedule D-2, Exhibit B

Statement of adjustments as of December 31, 1929, between Old and New firms of H.J. Baker & Bro., relative to undelivered material on March 31, 1929, under contracts of purchase and sale, in effect on March 31, 1929.

Allowance by Old firm on material accepted by New firm as of delivery dates \$15,654.37
 Interest on allowances from dates of payment for material to December 31, 1929 329.35
 Allowance by Old firm on material accepted by New firm as of November 1, 1929 - (including interest and carrying charges from dates of payment to November 1, 1929) 13,327.36
 Interest on allowance from November 1, 1929, to December 31, 1929 132.37
\$29,363.45

(Charged as follows:
 Fertilizer cost \$17,642.87
 Argentine Fertilizer cost 8,724.59
 Interest Expense 2,945.99
\$29,363.45)

Less:

Allowance by New firm of 1/2 profit on material delivered against Dug and Chemicals contracts after March 31, 1929 \$5,225.63
 Interest from dates profit was accepted to December 31, 1929 78.16
 Commission allowed by New firm of 1% of sales price of sulphate of ammonia and other materials ... 2,774.09
 Interest from average date earned to December 31, 1929 102.63
7,180.41

Net Allowance by Old firm to New firm..... \$22,173.04

Schedule D-2, Exhibit B, Estimated additional loss on contracts not yet completed 5,000.00

New Loss \$22,173.04

25,334.78

161.70

ADDITION TO INVENTORY - MARCH 21, 1929.

ARGENTINE FERTILIZER INVENTORY

			Weight	Book Val. Unit Cost Price 3/21/29	Amount
San Francisco	Whale Bone Meal	Hollywood (16.85% (BET 14.075%)	121085	4.40 x 10	2071.64
"	Whale Guano	" (10.71% (BET 11.50%)	154550	4.40 x 10	3807.65
					<u>\$ 5879.29</u>

(22733)

D & C INVENTORY

NO. PEGS.	ARTICLE	WEIGHT	PRICE	VALUE
48 bags	Light Chalk	8064	.04	<u>\$ 322.56</u>

INCREASE OF DEBITABLE LIABILITIES TO DECEMBER 31, 1939.

REFERENCE

DATE

EXPLANATION

NO.

INCREASE

DECREASE

1939

560	May 31	Petty Cash disbursements and phone call - Atlanta office	74	5.00	
562	" 4/30	Interest	74	3.52	
564	" 31	Brokerage on C S Meal - February	74	56.00	
565	" 4/10	Loss on 210 bales Hite Blue Stock	74	376.76	
566	" 31	Personal Property Tax - Baltimore	74	1.73	
June 6120	June 19	Ocean frt. on Dried Beet Pulp - S/S "Liberty Bell"	74	2100.22	
6121	" 19	Marine Insurance	74	910.56	
229	" 13	Payment to Prov. Wash. Insur. Co. for sub. recovered	74	9.12	
650	" 13	Allowance to Combsolt & Hengstle of de M.P. Combs. from U. S. Industrial Alcohol Co.	62	41.71	129.14
642	" 5	Omega Package purchased from Middle Georgia Pert. Co.	62		
836	3/22	Interest paid F. H. Jones	62	2167.70	
894	" 28	Analysis on C S Meal	73	2.00	
905	" 30	Weighing on Damaged Soyas Bean Meal	74	6.00	
922	" 26	Cost of special report on H.J. Baker-Bro. of ARS.	74	2.00	
939	" 11	Analysis on Fish Meal	65	189.29	
941	5/10	Adjustment on two cars Fish Meal returned	74	14.60	
942	" 15	" " " " "	74	1076.69	
943	" 12	Adjustment on 1771 bags Nitrogenous S/S "Mag-Magic"	74	1208.39	
881	4/19	San Francisco office telegrams	74	1926.53	
7006	July 1	Additional duty on entry of Dec. 1928	74	3.33	
7039	" 9	" " " " "	74	4.75	
7066	" 12	Allowance to Greenwald - frt. on car Package	74	1.00	
962	" 12	Adjustment on Whale Guano	62	130.30	
978	" 12	" " " " "	74	178.88	
987	" 5	Damaged Soyas Bean Meal	74	313.04	
004	" 5	Weighing Soyas Bean Meal	74	69.90	
C. 7147	3/22	Additional duty on entry of Dec. 1928	74	1.00	
1032	" 26	Adjustment on car Fish Meal	74	266.95	
C. 7151	" 2	Additional duty on entry of Jan. 1929.	74	4.25	
1056	29	Brokerage on Cotton Seed Meal	74	70.00	
5/31	5/31				
8087	Aug. 17th	Paid Supman Shurtlow Co. excess delivery fertilizer material	62	11154.02	129.14
				176.68	

REFERENCE	DATE	EXPLANATION	NO.	INCREASE	DECREASE	NET INCREASE
90nc. 8118	Aug. 30th	Cargoes paid McMullan Forwarding Co.	74	124.35		124.35
W 1171	" 26th	Adjustment on Unground Cracklings	74	215.05		215.05
90nc. 8033	" 19th	Additional duty on entry of Feb. 1929	74	4.75		4.75
CR 254	Sept. 11th	Services of Guy B. Mayo - Baker Carter vs. Keystone	74	500.00		500.00
90nc. 9002	" 3rd	Payment to Prov. Wash. Insur. Co. for amount recovered	74	59.53		59.53
90nc. 9003	" 3rd	Additional duty on entries of Feb. 1929.	74	6.00		6.00
90nc. 9057	" 11th	Listing 1929 San Francisco Directory	74	3.00		3.00
W 1215	" 10th	Allowance to King Bros. & Co. - frt. on C. S. Meal	63	124.93		124.93
90nc. 9087	" 17th	Exchange paid American Nat. Bank - Panama	74	1.06		1.06
90nc. 9090	" 18th	Additional duty on entry of Feb./29	74	1.75		1.75
W 1289	" 26th	Exchange on draft drawn in 1928	74	5.40		5.40
W 1459	Oct. 3/22	Items in Sundries Payable Acct. not claimed	74			80.78
90nc. 11054	Nov. 9th	Insurance premium paid H.E. Mann Co. San Francisco	74	7.94		7.94
R 290	" 16th	Payment to U. S. Shipping Board in settlement of claims	69	3018.38		3018.38
R 298	Dec. 9th	Payment to Earl H. Jones in settlement for services	76	350.00		350.00
W 1542	" 6th	Payment by Premier Oil Extract. Mills in settlement of claim	62			487.25
R 307	" 28th	Legal fees and expenses - claims S/S "Tona" and S/S "Valparaiso"	74	966.19		966.19
				16719.73	697.17	16719.73
					616.39	1898.90
						124.93
						189.29
						3018.38
					80.78	10439.06
						352.00
					697.17	16022.56

H.J. BAKER RESPONSE - EXHIBIT F

A G R E E M E N T, made this 27th day of July, 1924, between F. MORSE SMITH of the Borough of Brooklyn, City of New York (hereinafter called "Mr. Smith"), EDWARD A. BUCK of Arlington, New Jersey (hereinafter called "Mr. Buck"), JAMES K. WELSH of Goshen, New York (hereinafter called "Mr. Welsh"), CHARLES D. RAFFERTY of Greenwich, Connecticut (hereinafter called "Mr. Rafferty"), and HENRY V. B. SMITH of the Borough of Brooklyn, City of New York (hereinafter called "Mr. Smith, Jr.")).

WHEREAS, Mr. Smith and William H. Gelshenen have heretofore carried on the business of buying and selling fertilizing materials and chemical agents at Number 81 Fulton Street, Borough of Manhattan, City of New York, as a copartnership under the name of H. J. Baker & Bro., and such copartnership was dissolved by the death of William H. Gelshenen on July 22nd, 1924; and

WHEREAS, Mr. Smith desires to continue said business and to associate with him as his junior partners therein the other parties to this agreement, and the parties hereto desire to form a new partnership under the terms and conditions hereinafter set forth,

NOW, THIS AGREEMENT

W I T N E S S E T H :

First: The parties agree to become partners, to take over and carry on said business under the firm name and style of H. J. BAKER & BRO., as dealers in fertilizing materials, chemical agents, and such other goods, wares and merchandise as shall be agreed upon, in the City of New York, throughout the United States, and in such foreign countries as shall be mutually agreeable. The partnership shall continue for the term commencing on the 22nd day of July, 1924, and ending on the 31st day of December, 1925.

Second: Mr. Smith shall contribute as his capital his interest in the assets of the said firm which has just been dissolved, with the exception of the investments in the stock of Wilson & Toomer Fertilizer Company and Holly Hill Grove & Fruit Company, which he reserves to himself as his own private property. Inventory shall be taken at cost or market values as of close of July 21, 1924, whichever is lower, and the values of the other items shall be fixed by agreement between the parties when the books of said former firm have been closed. The amount thus determined shall be the amount of Mr. Smith's capital at the beginning of the partnership. If upon the liquidation of the various items included therein (except inventory), any item shall realize more than the amount at which the item is thus taken

in, the amount of such excess shall thereupon be added to Mr. Smith's capital and shall not constitute a part of the partnership profits, and if less shall be realized, the amount of such deficiency when finally ascertained shall be deducted from his capital and not from the partnership profits. His capital shall not, however, be deemed to be so increased or diminished until any such excess shall have been realized or any such deficiency finally determined.

The other partners shall contribute as their respective amounts of capital the sums set opposite their names, as follows:

Mr. Buck	\$ 96,000 ⁰⁰	
Mr. Welsh	\$ 13,500 ⁰⁰	<i>Thurley Rogers</i>
Mr. Rafferty	\$ 4,000 ⁰⁰	<i>five hundred dollars</i>
Mr. Smith, Jr.	\$ 20,000 ⁰⁰	

The partners may at any time by mutual consent, increase or reduce their respective amounts of capital.

Third: Proper books of account shall be kept showing the business transactions of the partnership, to which each partner shall have access at all times, with the right to make copies or extracts therefrom. Monthly balance sheets shall be made up in the nature of trial balances showing the business transactions of the partnership for the preceding month and the estimated profits and losses so far as the same can be ascertained.

Fourth: Settlements shall be made on the first day of January in each year, and the profits and losses shall be distributed and borne in the following proportions:

Mr. Smith	60%
Mr. Buck	15%
Mr. Welsh	10%
Mr. Rafferty	10%
Mr. Smith, Jr.	5%

Before any distribution of profits is had, there shall be allowed and paid to each of the partners interest at the rate of six per cent. (6%) per annum upon the amount of his capital, and such interest shall be a charge against the business in the same way that interest on borrowed money and other expenses are charged.

Fifth: Mr. Smith guarantees to each of his junior partners that their respective shares of the profits shall be at least at the rates set opposite their respective names, as follows:

Mr. Buck,	at the rate of \$12,000. per annum.
Mr. Welsh,	" " " " \$12,000. " "
Mr. Rafferty,	" " " " \$12,000. " "
Mr. Smith, Jr.,	" " " " \$4,000. " "

If, at the end of any fiscal period, the share of the profits of any such junior partner shall be less, the deficiency shall be charged, first, against Mr. Smith's share of profits, and if they are not sufficient, then against

his capital.

Sixth: Each of the partners may draw against his anticipated profits to such extent as from time to time may be mutually agreed upon.

Seventh: If, in the event of the death of any partner, the surviving partners or any of them, either alone or with others, shall continue the business, the surviving partners shall have the right to purchase the interest of the deceased partner and pay therefor only the amount of his capital as it shall stand on the books at the time of his death plus his share of the profits or less his share of the losses and less the amount of his drawings and any amount he may owe the partnership, without making any payment or allowance whatsoever for any real or supposed good will. To determine the amount thus to be paid to the estate of the deceased partner, the books shall be closed as of the close of business on the day before the day of such death, taking inventories at cost or market values as of that day, whichever shall be lower, and all other items at the values at which they are carried on the books on that day.

If, in the event of the death of any partner, the surviving partners or any of them, either alone or with others, shall continue the business, the surviving partners, instead of purchasing the interest of the deceased partner at its book value, as aforesaid, may, at their option, purchase such interest and pay therefor to the estate of the

deceased partner the amount of his capital as it shall stand on the books at the time of his death, plus his share of the profits or less his share of the losses and less the amount of his drawings and any amount he may owe the partnership, as the same shall be determined upon a gradual liquidation of the assets of the partnership, without any payment or allowance whatsoever for his interest in any real or supposed good will. To this end, the surviving partners may transfer the assets to a new partnership and account and pay over from time to time as liquidation of the assets shall permit, and they may take such time therefor as they may deem necessary. In any such event, however, an inventory shall be taken as of the close of business on the day before the day of such death at cost or market values, whichever shall be lower, and the profits or losses adjusted, so far as inventory items are concerned, on that basis, and the assets originally contributed by Mr. Smith shall be governed by the provisions of paragraph "Second".

In case Mr. Smith shall be one of such surviving partners, he shall have the right to decide whether the business shall be continued, and to purchase the interest not only of the deceased partner under either of the foregoing options, but also the interest of any other junior partner by paying therefor the value of the latter's interest calculated in the same manner, and under either option.

Upon any other dissolution of the partnership,

whether by expiration of the partnership term or otherwise, the same rights of purchase shall accrue to those partners who shall continue the business, with respect to the interests of those who shall not, as are here prescribed in the event of death, and Mr. Smith shall have the same right to decide whether the business shall be continued and to purchase the interest of any junior.

If, in the event of the exercise of any such right of purchase, the result of said calculation shall be a deficit against the deceased partner, or the other junior as the case may be, the partnership shall be entitled to the payment thereof from the estate of said deceased, or from said other junior, as the case may be.

Eighth: If, in the event of the death of any partner, the business shall not be continued, but is wound up and the assets are liquidated, the proceeds shall be applied to the payment of the partnership liabilities in the following order:

1. Amounts owing to creditors other than partners;
2. Amounts owing to partners other than capital and profits;
3. Amounts of the capital of the partners;
4. Amounts owing to partners in respect of profits.

It is the intention that upon any such liquidation after the partnership creditors have been paid, each partner shall receive the amount of capital standing to his credit

on the books at the time of dissolution and that all profits or losses arising either before or after the dissolution shall be shared or borne by the partners in the proportions hereinbefore specified, except however, as to the assets originally contributed by Mr. Smith as his capital, as to which the provisions of paragraph "Second" shall apply.

In the event of any such winding up and liquidation, the surviving partners shall have such time therefor as they shall deem necessary; and upon any accounting with the representatives of the deceased partner they shall be under no obligation whatsoever to account for or pay over anything or to make any allowance whatever for good will.

Ninth: IT IS MUTUALLY UNDERSTOOD AND AGREED between the parties hereto, and it is the fact which they recognize, that the business of the partnership is of a peculiar nature; that it consists largely of the purchase of goods, wares, merchandise and raw materials on a more or less speculative basis, or the handling of the same on term brokerage contracts; and whether they are purchased by the firm in its own right or for others, it is necessary in practically every instance before sale can be made, to find a market therefor in competition with others handling the same class of goods; and that the success of the business is dependent almost entirely upon the personal efforts of those who for the time being are the members of the partnership; and there is no assurance or belief on the

part of the partners that any other person taking over the business or attempting to do so, or that any of them without the others, could carry on or conduct the same successfully, because there is in the business no element of "good will" or any thing in that nature to make this possible in the absence of the personal equation upon which the partnership relies almost exclusively for its success. Because of the absence of the elements which ordinarily constitute what is known as "good will" of a business, it is provided in this agreement that upon dissolution no allowance shall be made for good will.

It is recognized by the partners that there have been in the decisions of the courts and in the policies of various taxing officials differences of opinion on the subject of good will, and so that there may be no doubt on the subject in any possible circumstances in which the question might arise, it is agreed by each partner with the others that he does hereby sell, assign, transfer and set over unto the others, all right, title and interest of every nature and description which might otherwise be held to be his, in and to any good will or anything in the nature thereof connected with said business, in the event of his death, or other dissolution of the partnership as the result of which he is no longer associated with the business as a partner. This sale and assignment is made as an inducement to the other partners to admit him to partnership, to make their

capital contributions, and to continue the business, and it is made in consideration of their so admitting him, so contributing capital and so continuing business; and it is understood and agreed that without this sale and assignment they would not so admit him, so make such capital contributions, and so continue the business.

Tenth: No partner during the continuance of the partnership shall assume any liability for another or others, by means of endorsement or becoming guarantor or surety without first obtaining the consent of the others thereto in writing.

IN WITNESS WHEREOF, the parties have duly executed these presents.

Signed, sealed and delivered in the presence of:

C. M. Headley

James J. Smith (L.S.)

Richard A. Smith (L.)

James K. Smith (L.)

Charles D. Kaffery (L.)

Henry V. B. Smith (L.)

The partnership existing between the undersigned, F. MORSE SMITH, EDWARD A. BUCK, JAMES K. WELSH, CHARLES D. RAFFERTY and HENRY V.B. SMITH, under the Partnership Agreement dated July 22, 1924, IS HEREBY RENEWED for the period of one year from December 31, 1925, to and ending on December 31, 1926, inclusive, upon the same terms, covenants and conditions as are set forth in the said Partnership Agreement dated July 22, 1924.

It is recognized that when the partnership was formed under the agreement of July 22, 1924, it was not the intention that the new partnership should assume any liability on account of the contract between the United State and the old firm of H.J. Baker & Bro. dated August 27, 1919, or its inception or the transactions under it, because at that time no suggestion of any such liability had ever been made by anyone and none of the present partners then had any reason to believe or even to suspect that any such liability existed or might exist, but all believed that the said contract with the United States, its performance, and all matters connected with it, had long since been finished and finally adjusted, settled and closed.

Because the United States has since claimed that some such liability exists, it is now AGREED that as among themselves none of the present partners or their respective capital contributions shall be liable for or

chargeable with any part of any such liability, except F. MORSE SMITH and his capital contribution. Any payment which may be made on account of any such liability shall not affect the profits of the present partnership, but shall operate as a reduction of the capital of F. MORSE SMITH under paragraph "Second" under the Agreement of July 22, 1924, as and to the extent paid by the partnership or by him out of his capital.

DATED December 31, 1925.

F. Morse Smith L.S.

Edward A. Buck L.S.

James K. Welch L.S.

Charles H. Rappert L.S.

Henry V. B. Smith L.S.

Signed, Sealed and Delivered
in the Presence of:

S. J. Phelps

The partnership existing between the undersigned,
F. MORSE SMITH, EDWARD A. BUCK, JAMES K. WELSH, CHARLES D.
RAFFERTY and HENRY V.B. SMITH, under the partnership agreement
dated July 22, 1924, as modified by agreement extending the same
dated December 31, 1925, IS HEREBY RENEWED for the period of
one (1) year from December 31, 1926, and ending on December 31,
1927 inclusive, upon the same terms, covenants and conditions
as are set forth in the said partnership agreement dated July
22, 1924, as modified as aforesaid.

DATED, December 28th 1926.

F. Morse Smith L.S.

Edward A. Buck L.S.

James K. Welsh L.S.

Charles D. Rafferty L.S.

Henry V.B. Smith L.S.

Signed, Sealed and Delivered
in the Presence of:

William F. Richmond

AGREEMENT made as of the 31st day of October, 1959, between HENRY V. B. SMITH, HAROLD S. McCORMICK, J. MORSE SMITH and RUTGER M. SMITH.

WHEREAS, the parties hereto are all the partners of H. J. Baker & Bro., a general partnership (herein called "the Partnership"), and

WHEREAS, the parties desire to transform the Partnership into a corporation and further desire that certain of the parties shall transfer to such corporation their holdings of stocks in certain corporations engaged in businesses closely connected with that of the Partnership, and to the foregoing ends the parties have caused to be incorporated H. J. Baker & Bro., Inc., a New York corporation (herein called "the Corporation").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed:

1. On October 30, 1959, but as of the close of business on October 31, 1959, the parties shall each convey to the Corporation their respective interests in the Partnership and in exchange therefor they shall receive shares of Class B Capital Stock and Debentures of the Corporation (in the form heretofore approved and initialed by the parties) as follows:

Corporation.

7. Henry V. B. Smith shall transfer to the Corporation his aforesaid shares of the Capital Stock of Anderson Fertilizer Company, for which he shall receive in exchange 708 shares of the Class A Capital Stock of the Corporation.

8. It is the understanding of the parties, and their intent, that by acquiring the partnership interests of all the parties in the Partnership the Corporation thereby acquires the entire business and assets of the Partnership, including, without limitation, all accounts, contracts, claims, causes of action and rights of every kind and nature and all property, tangible and intangible, real, personal and mixed, and wheresoever situate, to which the Partnership is or may become legally or equitably entitled, subject, however, to all the Partnership liabilities of whatever nature, whether accrued, absolute, contingent or otherwise, and that consequently the Partnership thereby is dissolved and terminated; accordingly, it is agreed that any one or more of the parties may execute in the name of the Partnership, or of any or all of the parties, all such instruments as may be necessary or appropriate fully to effectuate the foregoing undertaking and intent of the parties.

9. The parties agree that if the aforesaid liabilities of the Partnership shall exceed the liabilities of the Partnership reflected or reserved against in the balance sheet of the Partnership as at October 31, 1959, prepared

	<u>Principal Amount of Debentures</u>	<u>Shares of Class B Capital Stock</u>
Henry V. B. Smith	\$401,300.00	4,987
Harold S. McCormick	--	1,770
J. Morse Smith	--	1,749
Rutger M. Smith	--	1,749

2. If, as of the close of business on October 31, 1959, the total amount standing to the credit of any party in his Capital Account and Special Account on the books of the Partnership shall exceed the amount set opposite his name below then such party shall be entitled to receive for his interest in the Partnership, in addition to the Debentures and/or Capital Stock provided for in paragraph "1" above, Debentures in a principal amount equal to the amount of such excess (to the nearest \$100), if any, except that Harold S. McCormick shall be entitled to receive one (1) share of Class A Capital Stock for each one hundred dollars (\$100) of such excess (or major fraction thereof), if any:

Henry V. B. Smith	\$900,000
Harold S. McCormick	\$177,000
J. Morse Smith	\$174,900
Rutger M. Smith	\$174,900

; and if such amount so standing to the credit of any party shall be less than the said amount set opposite his name, then such party shall pay to the Corporation the difference in cash. Any Debentures or Class A Capital Stock issued in accordance with the foregoing provisions shall be issued as of October 31, 1959 and the holder shall be entitled to in-

terest and dividends, if any, as the case may be, from that date.

3. Henry V. B. Smith represents that he is the owner of 1,291 shares of the Capital Stock, \$100 par, of Wilson & Toomer Fertilizer Company, a Florida corporation, 270 shares of the Capital Stock, \$100 par, of Nutrition Products, Inc., a Louisiana corporation, and 192 shares of Common Stock, \$100 par, of Anderson Fertilizer Company, Inc., a South Carolina corporation, Harold S. McCormick represents that he is the owner of 180 shares of the Capital Stock, \$100 par, of said Nutrition Products, Inc.

4. Henry V. B. Smith shall transfer to the Corporation his aforesaid shares of the Capital Stock of Nutrition Products, Inc., for which he shall receive in exchange 2,527 shares of the Class A Capital Stock and 843 shares of the Class B Capital Stock of the Corporation.

5. Harold S. McCormick shall transfer to the Corporation his aforesaid shares of the capital stock of Nutrition Products, Inc. for which he shall receive in exchange 1,685 shares of the Class A Capital Stock and 562 shares of the Class B Capital Stock of the Corporation.

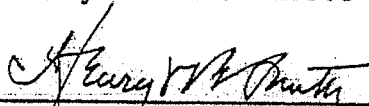
6. Henry V. B. Smith shall transfer to the Corporation his aforesaid shares of the Capital Stock of Wilson & Toomer Fertilizer Company for which he shall receive in exchange \$650,000 principal amount of the said Debentures and 1,754 shares of the Class A Capital Stock of the

by the Partnership's regular independent auditors, the parties shall be responsible for and bear such excess liabilities in proportion to their respective percentages of the profits and losses of the Partnership under their last partnership agreement, and they shall hold the Corporation harmless from any such excess liabilities.

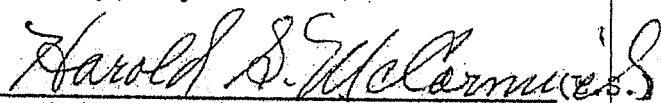
10. It is agreed that all the acts and transactions herein contemplated shall be deemed to be effected simultaneously, all as of the close of business on October 31, 1959.

11. This Agreement shall inure to the benefit of the Corporation and it shall inure to the benefit of and shall be binding upon the parties hereto and their respective legatees, distributees, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.



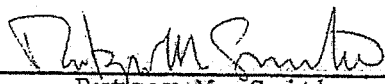
Henry V. B. Smith (L.S.)



Harold S. McCormick (L.S.)



J. Morse Smith (L.S.)



Rutger M. Smith (L.S.)

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On this 30th day of October, 1959, before me personally came ~~HENRY V. B. SMITH~~ HAROLD S. McCORMICK, J. MORSE SMITH and RUTGER M. SMITH, to me known and known to me to be the persons described in and who executed the foregoing Agreement and they thereupon severally duly acknowledged to me that they executed the same.

Sebastian J. Martino
Notary Public

SEBASTIAN J. MARTINO
Notary Public, State of New York
No. 41-256360K
Qualified in Queens County
Term Expires March 30, 1961

Connecticut
STATE OF ~~SOUTH CAROLINA~~)
 : ss.:
COUNTY OF *Fairfield*)

On this 16th day of *November*, 1959, before me personally came HENRY V. B. SMITH, to me known and known to me to be one of the persons described in and who executed the foregoing Agreement and he thereupon duly acknowledged to me that he executed the same, *on October 31, 1959*

Maudeleine S. Main
Notary Public

MADELEINE S. MAIN
MY COMMISSION EXPIRES APRIL 1, 1963

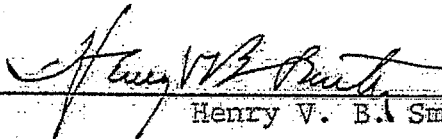
BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that HENRY V. B. SMITH, HAROLD S. McCORMICK, J. MORSE SMITH and RUTGER M. SMITH, being all the partners in H. J. Baker & Bro., a general partnership (hereinafter the "Partnership"), do by these presents convey, assign and transfer to H. J. Baker & Bro., Inc., a New York corporation (hereinafter the "Corporation"), as of the close of business on October 31, 1959, all their partnership interests in the Partnership, for One Dollar (\$1.00) and other good and valuable considerations moving unto each of them from the Corporation, the receipt whereof hereby is acknowledged, and they do hereby confirm that thereby the Corporation has acquired, as of said date, all the right, title and interest of the Partnership, and of each of them, in the business and assets of the Partnership, including, without limitation, all accounts, contracts, claims, causes of action and rights of every kind and nature and all property, tangible and intangible, real, personal and mixed, of every kind, nature and description, and where-soever situate, to which the Partnership is or may become legally or equitably entitled.

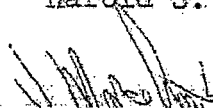
TO HAVE AND TO HOLD the same unto said Corporation, its successors and assigns forever, from and after the close of business on October 31, 1959, subject, however, to all


the Partnership liabilities of whatever nature, whether accrued, absolute, contingent or otherwise.

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the 31st day of October, 1959.


Henry V. B. Smith (L.S.)


Harold S. McCormick (L.S.)


J. Morse Smith (L.S.)


Rutger M. Smith (L.S.)

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On this 30th day of October, 1959, before me personally came HAROLD S. McCORMICK, J. MORSE SMITH and RUTGER M. SMITH, to me known and known to me to be the persons described in and who executed the foregoing Bill of Sale and they thereupon severally duly acknowledged to me that they executed the same.

Sebastian J. Martino
Notary Public

SEBASTIAN J. MARTINO
Notary Public, State of New York
No. 41-2563600
Qualified in Queens County
Term Expires March 30, 1962

~~CONNECTICUT~~
STATE OF ~~SOUTH CAROLINA~~)
 : ss.:
COUNTY OF FAIRFIELD)

On this 16th day of November, 1959, before me personally came HENRY V. B. SMITH, to me known and known to me to be one of the persons described in and who executed the foregoing Bill of Sale and he thereupon duly acknowledged to me that he executed the same, on October 31, 1959

Madeleine S. Main
Notary Public

MADELEINE S. MAIN
MY COMMISSION EXPIRES APRIL 1, 1963

AGREEMENT made as of the 31st day of October, 1959, between HENRY V. B. SMITH, HAROLD S. McCORMICK, J. MORSE SMITH and RUTGER M. SMITH.

WHEREAS, the parties hereto are all the partners of H. J. Baker & Bro., a general partnership (herein called "the Partnership"), and

WHEREAS, the parties desire to transform the Partnership into a corporation and further desire that certain of the parties shall transfer to such corporation their holdings of stocks in certain corporations engaged in businesses closely connected with that of the Partnership, and to the foregoing ends the parties have caused to be incorporated H. J. Baker & Bro., Inc., a New York corporation (herein called "the Corporation").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed:

1. On October 30, 1959, but as of the close of business on October 31, 1959, the parties shall each convey to the Corporation their respective interests in the Partnership and in exchange therefor they shall receive shares of Class B Capital Stock and Debentures of the Corporation (in the form heretofore approved and initialed by the parties) as follows:

	<u>Principal Amount of Debentures</u>	<u>Shares of Class B Capital Stock</u>
Henry V. B. Smith	\$401,300.00	4,987
Harold S. McCormick	--	1,770
J. Morse Smith	--	1,749
Rutger M. Smith	--	1,749

2. If, as of the close of business on October 31, 1959, the total amount standing to the credit of any party in his Capital Account and Special Account on the books of the Partnership shall exceed the amount set opposite his name below then such party shall be entitled to receive for his interest in the Partnership, in addition to the Debentures and/or Capital Stock provided for in paragraph "1" above, Debentures in a principal amount equal to the amount of such excess (to the nearest \$100), if any, except that Harold S. McCormick shall be entitled to receive one (1) share of Class A Capital Stock for each one hundred dollars (\$100) of such excess (or major fraction thereof), if any:

Henry V. B. Smith	\$900,000
Harold S. McCormick	\$177,000
J. Morse Smith	\$174,900
Rutger M. Smith	\$174,900

; and if such amount so standing to the credit of any party shall be less than the said amount set opposite his name, then such party shall pay to the Corporation the difference in cash. Any Debentures or Class A Capital Stock issued in accordance with the foregoing provisions shall be issued as of October 31, 1959 and the holder shall be entitled to in-

terest and dividends, if any, as the case may be, from that date.

3. Henry V. B. Smith represents that he is the owner of 1,291 shares of the Capital Stock, \$100 par, of Wilson & Toomer Fertilizer Company, a Florida corporation, 270 shares of the Capital Stock, \$100 par, of Nutrition Products, Inc., a Louisiana corporation, and 192 shares of Common Stock, \$100 par, of Anderson Fertilizer Company, Inc., a South Carolina corporation, Harold S. McCormick represents that he is the owner of 180 shares of the Capital Stock, \$100 par, of said Nutrition Products, Inc.

4. Henry V. B. Smith shall transfer to the Corporation his aforesaid shares of the Capital Stock of Nutrition Products, Inc., for which he shall receive in exchange 2,527 shares of the Class A Capital Stock and 843 shares of the Class B Capital Stock of the Corporation.

5. Harold S. McCormick shall transfer to the Corporation his aforesaid shares of the capital stock of Nutrition Products, Inc. for which he shall receive in exchange 1,685 shares of the Class A Capital Stock and 562 shares of the Class B Capital Stock of the Corporation.

6. Henry V. B. Smith shall transfer to the Corporation his aforesaid shares of the Capital Stock of Wilson & Toomer Fertilizer Company for which he shall receive in exchange \$650,000 principal amount of the said Debentures and 1,754 shares of the Class A Capital Stock of the

Corporation.

7. Henry V. B. Smith shall transfer to the Corporation his aforesaid shares of the Capital Stock of Anderson Fertilizer Company, for which he shall receive in exchange 708 shares of the Class A Capital Stock of the Corporation.

8. It is the understanding of the parties, and their intent, that by acquiring the partnership interests of all the parties in the Partnership the Corporation thereby acquires the entire business and assets of the Partnership, including, without limitation, all accounts, contracts, claims, causes of action and rights of every kind and nature and all property, tangible and intangible, real, personal and mixed, and wheresoever situate, to which the Partnership is or may become legally or equitably entitled, subject, however, to all the Partnership liabilities of whatever nature, whether accrued, absolute, contingent or otherwise, and that consequently the Partnership thereby is dissolved and terminated; accordingly, it is agreed that any one or more of the parties may execute in the name of the Partnership, or of any or all of the parties, all such instruments as may be necessary or appropriate fully to effectuate the foregoing undertaking and intent of the parties.

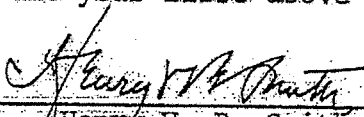
9. The parties agree that if the aforesaid liabilities of the Partnership shall exceed the liabilities of the Partnership reflected or reserved against in the balance sheet of the Partnership as at October 31, 1959, prepared

by the Partnership's regular independent auditors, the parties shall be responsible for and bear such excess liabilities in proportion to their respective percentages of the profits and losses of the Partnership under their last partnership agreement, and they shall hold the Corporation harmless from any such excess liabilities.

10. It is agreed that all the acts and transactions herein contemplated shall be deemed to be effected simultaneously, all as of the close of business on October 31, 1959.


11. This Agreement shall inure to the benefit of the Corporation and it shall inure to the benefit of and shall be binding upon the parties hereto and their respective legatees, distributees, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.


Henry V. B. Smith (L.S.)


Harold S. McCormick


J. Morse Smith (L.S.)


Rutger M. Smith (L.S.)

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 30th day of October, 1959, before me personally came ~~HENRY V. B. SMITH~~ HAROLD S. McCORMICK, J. MORSE SMITH and RUTGER M. SMITH, to me known and known to me to be the persons described in and who executed the foregoing Agreement and they thereupon severally duly acknowledged to me that they executed the same.

Sebastian J. Martino
Notary Public

SEBASTIAN J. MARTINO
Notary Public, State of New York
No. 41-256360C
Qualified in Queens County
Term Expires March 30, 1961

Connecticut
STATE OF ~~SOUTH CAROLINA~~)
: ss.:
COUNTY OF Fairfield)

On this 16th day of November, 1959, before me personally came HENRY V. B. SMITH, to me known and known to me to be one of the persons described in and who executed the foregoing Agreement and he thereupon duly acknowledged to me that he executed the same, on October 31, 1959

Madeline S. Main
Notary Public

MADELEINE S. MAIN
MY COMMISSION EXPIRES APRIL 1, 1963

H. J. BAKER & BRO.
(A Partnership)

FINANCIAL STATEMENTS FOR THE
TEN MONTHS ENDED OCTOBER 31, 1959
(WITH SUPPLEMENTAL SCHEDULE
OF PARTNERS' CAPITAL)
AND
ACCOUNTANTS' OPINION

HASKINS & SELLS

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 4

December 4, 1959

ACCOUNTANTS' OPINION

H. J. Baker & Bro.:

We have examined the balance sheet of H. J. Baker & Bro. (a Partnership) as of October 31, 1959 and the related summary of income and partners' capital for the ten months then ended, and the supplemental schedule of partners' capital. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, summary of income and partners' capital, and supplemental schedule of partners' capital present fairly the financial position of the Partnership at October 31, 1959 and the results of its operations for the ten months then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

H. J. BAKER & BRO.
(A Partnership)

BALANCE SHEET, OCTOBER 31, 1959

A S S E T S

CURRENT ASSETS:

Cash.....	\$ 523,517.59
Receivables.....	768,944.34
Inventories at the lower of cost or market (imported and domestic fertilizer and animal-feed materials, etc. held by or in transit to terminal warehouses or processors).....	1,544,500.27
Prepaid expenses.....	5,374.46
Total current assets.....	2,842,336.66
INVESTMENTS - (at estimated value January 2, 1951 plus subsequent additions at cost).....	24,383.56
FURNITURE AND EQUIPMENT (less accumulated depreciation, \$61,874.84).....	15,647.07
TOTAL.....	<u>\$2,882,367.29</u>

L I A B I L I T I E S

CURRENT LIABILITIES:

Notes payable to banks.....	\$ 300,000.00
Accounts payable and accrued.....	1,092,614.66
Income and social security taxes withheld from employees.....	6,990.40
Accrued taxes.....	6,371.87
Total current liabilities.....	1,405,976.93
PARTNERS' CAPITAL.....	1,476,390.36
TOTAL.....	<u>\$2,882,367.29</u>

NOTES: (1) No provision has been made in the above balance sheet for a portion of 1959 State income taxes and 1959 Federal income taxes of the partners.

(2) There were contingent liabilities at October 31, 1959 of approximately \$510,600 under outstanding letters of credit in connection with contemplated purchases of merchandise and performance bonds.

H. J. BAKER & BRO.
(A Partnership)

SUMMARY OF INCOME AND PARTNERS' CAPITAL
FOR THE TEN MONTHS ENDED OCTOBER 31, 1959

GROSS PROFIT FROM SALES, COMMISSIONS EARNED, AND OTHER INCOME.....		\$1,156,838.18
EXPENSES:		
Compensation of employees.....	\$366,710.16	
Telephone, telegraph, and cable.....	74,807.54	
Travel and entertainment.....	61,538.88	
Rent.....	36,229.75	
Contributions to pension and profit-sharing plans.....	32,176.80	
Taxes (N. Y. State unincorporated business, social security, etc.).....	14,067.06	
Other (including interest of \$22,419.45).....	155,605.50	741,135.69
INCOME - Credited to partners.....		415,702.49
PARTNERS' CAPITAL AT BEGINNING OF YEAR.....		1,925,339.99
Total.....		2,341,042.48
LESS PARTNERS' WITHDRAWALS - Net.....		864,652.12
PARTNERS' CAPITAL AT END OF YEAR.....		<u>\$1,476,390.36</u>

	J. M. SMITH	R. M. SMITH
BALANCE, JANUARY 1, 1		
Fixed capital.....	\$125,000.00	\$125,000.00
Drawing accounts...	85,540.08	76,631.65
Total.	210,540.08	201,631.65
INCOME - Credited to		
Interest on:		
Fixed capital, 6%	6,250.00	6,250.00
Drawing accounts,	1,253.45	421.14
Profits after inter		
Proportion (%)...	11.40%	10.40%
Amount.....	40,804.86	37,225.49
Total.	48,308.31	43,896.63
	258,848.39	245,528.28
DEDUCT:		
Withdrawals.....	90,668.92	101,634.29
Less deposits.....	9,053.96	34,029.50
Net...	81,614.96	67,604.79
BALANCE, OCTOBER 31,		
Fixed capital.....	125,000.00	125,000.00
Drawing accounts...	52,233.43	52,923.49
	\$177,233.43	\$177,923.49

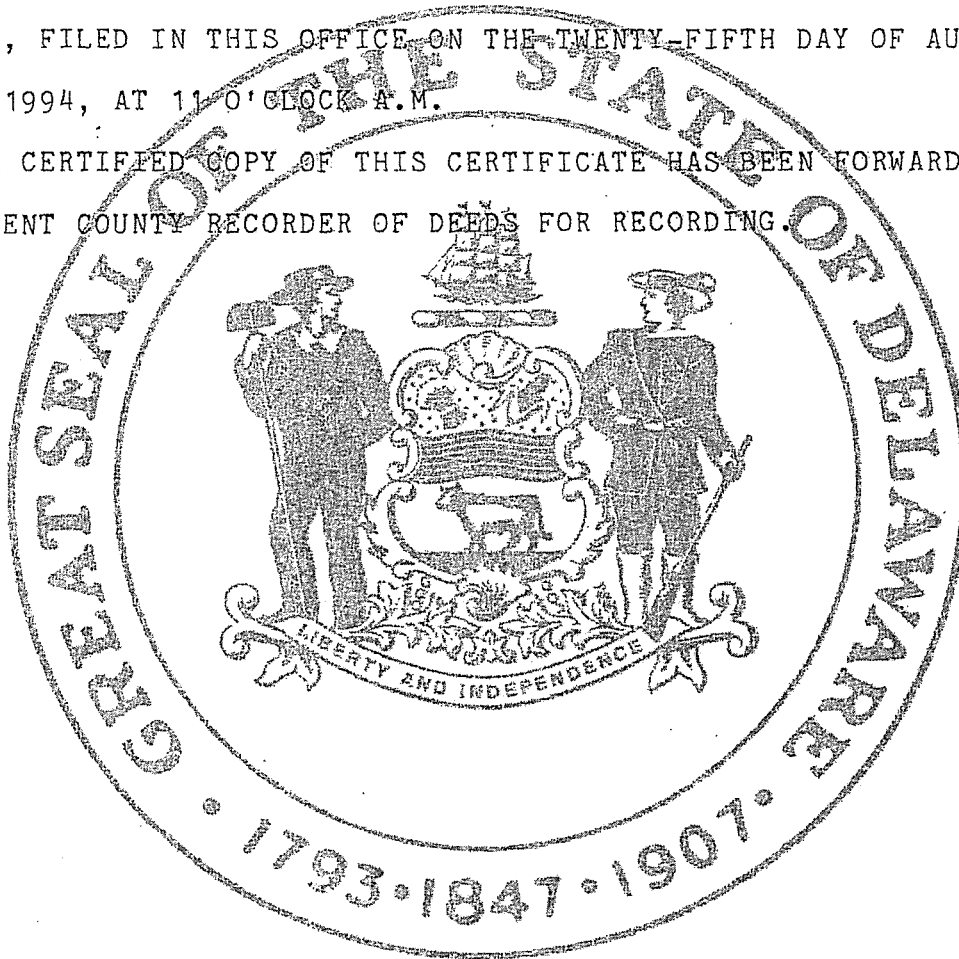
State of Delaware

PAGE 1

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "H. J. BAKER & BRO., INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF AUGUST, A.D. 1994, AT 11 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS FOR RECORDING.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

2429794 8100

AUTHENTICATION: 7223666

944159796

DATE: 08-26-94

CERTIFICATE OF INCORPORATION

OF

H. J. BAKER & BRO., INC.

The undersigned incorporator, in order to form a corporation under the General Corporation Law of Delaware, hereby certifies as follows:

FIRST: The name of the Corporation is: H. J. BAKER & BRO., INC.

SECOND: The registered office of the Corporation is to be located at 32 Loockerman Square, Suite L-100, Dover, Kent County, Delaware 19901. The name of its registered agent at that address is The Prentice-Hall Corporation System, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of capital stock which the Corporation shall have the authority to issue is 6,545 shares of Common Stock, \$1.00 par value per share.

(a) Reacquired Shares. If the Corporation shall reacquire any shares of its Common Stock, such shares shall not be reissued, sold or otherwise disposed of or restored to the status of authorized shares. Rather, the Board of Directors of the Corporation shall, and hereby is authorized to, eliminate such reacquired shares from the authorized Capital Stock of the Corporation.

(b) Restrictions on Transfer and Options to Buy and Sell Common Stock. All the Common Stock of the Corporation at any time outstanding shall have and be subject to the following rights, restrictions and qualifications:

1. Definitions. The terms defined in this paragraph shall, for all purposes of this and the following numbered paragraphs, have the meaning herein specified. The word "Baker" means the Corporation. The "Stock" means common stock of Baker at any time outstanding. The terms "Stockholder" or "Stockholders" means a person or persons who at the time referred to are holders of Stock of record on the books of Baker. Reference to Stock "transferred" or "transfer" of Stock shall be deemed to mean any passage or disposition of Stock whatsoever, including, but not limited to, passage or disposition by sale, assignment, gift or exchange, or by pledge or other encumbrance, or by distribution by an executor, administrator or trustee, or by or under any judicial order, legal process, execution,

attachment, enforcement of a pledge, trust or encumbrance; a pledge of Stock shall not be deemed to involve a "transfer", however, if (a) the pledge is made in good faith for money borrowed by the Stockholder or is made pursuant to the provisions of paragraphs "7", "9" or "10" below and (b) the terms of the pledge are in writing, are filed with Baker and expressly stipulate that the pledgee shall have no right to vote the pledged Stock and that any other transfer of the Stock, whether pursuant to or by enforcement of the terms of the pledge or otherwise, shall be subject to the terms hereof and require a prior offer, in accordance with the provisions hereof, to Baker and the Stockholders then holding Stock. The word "person" shall be deemed to include any individual, partnership, corporation (including Baker), trust, association, syndicate or joint venture.

2. Restrictions on Transfer of Stock. No Stock shall be transferred without first having been offered to Baker and to the Stockholders then holding Stock in the manner and at the price hereinafter provided. The offer shall be made not less than thirty (30) days prior to any proposed transfer of Stock. Every share of Stock shall remain subject to this restriction though an offer or offers are made pursuant hereto but not accepted, and each and every person who may hold or acquire any of the Stock in any manner whatsoever shall nevertheless hold it subject to the requirement that it shall be offered pursuant hereto prior to any transfer. If for any reason a proper offer is not duly made prior to a transfer, the person to whom the Stock is transferred shall make an offer to Baker and the Stockholders then holding Stock within ten (10) days after such transfer.

3. Notice of Offer and Acceptance. The notice of an offer shall be by registered mail to Baker and to the Stockholders then holding Stock at their addresses as the same appear on the stock book of Baker and shall state the number of shares offered, the address of the offeror, the price and terms and (a) the name and address of the person, if any, to whom the offeror desires to transfer the shares offered or (b) if the last sentence of paragraph "2" above applies, the name and address of the person to whom the stock has been transferred. An offer shall remain open for thirty (30) days after the date on which the notice of the offer is mailed by registered mail as aforesaid. An offer may be accepted for all or part of the shares offered. Notice of acceptance of an offer shall be sufficiently given if before midnight of the 30th day it is delivered in person to the offeror or is mailed by registered mail to the address of the offeror stated in the notice.

4. Special Price. Every offer shall be at the price per share fixed under paragraph "11" below except: (a) an offer by one who acquires Stock without a proper offer of such Stock having been duly made prior to the transfer (whether such

acquisition be under judicial order, legal process, execution, attachment, or sale under any of them, or in any other manner) shall be at the price per share paid by him if less than the price fixed under said paragraph "11" and (b) an offer by one who proposes to transfer Stock for a price less than the price per share fixed under said paragraph "11" shall be at the proposed price.

5. Rejection of Offer. To the extent that neither Baker nor any Stockholders shall accept a proper offer duly made, the offeror may retain the shares of Stock not accepted, or may, within forty-five (45) days after the date on which he gave notice of his offer, transfer to the person named in his notice such number of shares of Stock not accepted, at the price and on terms no more favorable to the buyer than those stated in his notice.

6. Failure to Make the Required Offer. Upon the occurrence of an event by reason of which an offer is required to be made, Baker or any of the Stockholders then holding Stock may notify the record owner of the Stock in question or the person to whom the Stock is about to be or has been transferred, or both, of an election to buy all or part of the Stock in question and shall at the same time send by registered mail copies of such notice of election to all persons who were entitled to notice of the offer, at the respective addresses of such persons as the same appear on the books of Baker; and in such a case all other persons entitled to notice of the offer may, within twenty (20) days after the date on which said notice of election is given, give like notices of election. Each such notice shall be deemed an acceptance of the required offer, to the extent set forth in the notice, and the sale shall be closed as if said required offer had been made and so accepted, at the price and on the terms which should have been stated in the required offer.

7. Payment of Purchase Price. The purchase price of Stock sold under the foregoing provisions shall be paid in cash at the time of closing the sale or, at the election of the buyer, not less than ten per cent (10%) of the price shall then be paid in cash and the balance in not more than nine (9) equal annual installments, evidenced by notes of the buyer, of which the first shall become due not later than one (1) year from the day on which the sale is closed and the others at successive intervals of not more than one (1) year each, with interest from the date of closing the sale at four per cent (4%) per annum. The buyer may anticipate all or any part of any or all installments. If the buyer shall be other than Baker, the seller may require that the Stock purchased be pledged as security for the payment of said notes, but the buyer shall have full ownership of the Stock purchased, subject to such pledge, including voting rights and rights to dividends.

8. Place and Time of Closing. Every sale under the foregoing provisions shall be closed at the principal office of Baker in Stamford, CT, at a time (during its ordinary business hours) fixed by the buyer which shall be not less than ten (10) nor more than thirty (30) days after the expiration of the period during which the offer is required to remain open.

9. Option and Obligation to Buy in Event of Cessation of Employment. In the event any Stockholder shall cease to be an employee of Baker for whatever reason other than death (see paragraph "10" below), Baker and each Stockholder then holding Stock shall have an irrevocable option to purchase all or any part of the shares of Stock of such Stockholders. Any Stockholder ceasing to be an employee of Baker shall have the right to demand the purchase by Baker of all or part of his Stock. Notice (a) of an election by Baker or a Stockholder then holding Stock to purchase all or a designated portion of the shares of Stock of a Stockholder ceasing to be an employee of Baker or (b) of a demand by a Stockholder ceasing to be an employee of Baker that Baker shall purchase all or part of his Stock shall be given in writing by registered mail within sixty (60) days subsequent to such cessation of employment. The purchase price of all such shares of Stock shall be as set forth in paragraph "11" below. The sale shall be closed at the principal office of Baker in Stamford, CT, at a time (during its ordinary business hours) fixed by the buyer, which shall not be more than thirty (30) days after the expiration of said sixty (60) day period nor less than five (5) days after the expiration of said period unless all the optionees shall consent thereto. The purchase price shall be paid in cash at the time of closing the sale except that if the purchase price shall exceed \$50,000, such excess may, at the election of the buyer, be paid in not more than four (4) equal annual installments, evidenced by notes of the buyer, of which the first shall become due not later than one (1) year from the date of such cessation of employment and the others at successive intervals of not more than one (1) year each; provided, however, if the purchase shall be from a Stockholder who, at the time of such cessation of employment, has been an employee of Baker or a member or employee of its predecessor partnership, or both, for a period of thirty (30) or more years and who is sixty (60) years of age or over, then such excess of the purchase price over \$50,000 shall be paid in not over four (4) equal installments, evidenced by four (4) notes of the buyer, of which the first shall become due not later than six (6) months from the date of such cessation of employment and the others at successive intervals of not more than six (6) months each. All installments of the purchase price, whether paid in cash or evidenced by notes, shall bear interest at the rate of four per cent (4%) per annum from the date of such cessation of employment to the date of payment. The buyer may anticipate all or any part of any or all installments. If the buyer shall be other than Baker, the seller may require the Stock purchased to be pledged as security for the payment of the said notes but the

buyer shall have full ownership of the Stock purchased, subject to such pledge, including voting rights and rights to dividends.

10. Option and Obligation to Buy in Event of Death of Stockholder. In the event of the death of a Stockholder, Baker and every Stockholder then holding Stock shall have an irrevocable option to purchase all or any part of the shares of Stock of such deceased Stockholder (whether or not Baker and any Stockholder may have failed, in whole or in part, to exercise their options to purchase Stock of the deceased Stockholder upon a prior cessation of his employment by Baker). Provided surplus is available, the executors or administrators of such deceased Stockholder shall have the right to demand the purchase by Baker of all or part of the Stock of such deceased Stockholder. Notice (a) of an election by Baker or a surviving Stockholder then holding Stock to purchase all or a designated portion of the shares of Stock of a deceased Stockholder or (b) of a demand by the executors or administrators of a deceased Stockholder that Baker shall purchase all or part of the Stock of the deceased Stockholder shall be given in writing by registered mail within fourteen (14) months subsequent to the death of the Stockholder. The purchase price shall be as set forth in paragraph "11" hereof. The sale shall be closed at the principal office of Baker in Stamford, CT, at a time (during its ordinary business hours) fixed by the buyer, which shall not be more than thirty (30) days after the expiration of said fourteen (14) months period nor less than five (5) days after the expiration of said period unless all the optionees shall consent thereto. The purchase price shall be paid in cash at the time of the closing of the sale or, at the election of the buyer, not less than ten per cent (10%) of the price shall then be paid in cash and the balance in not more than nine (9) equal annual installments, evidenced by notes of the buyer, of which the first shall become due not later than one (1) year from the date of such death and the others at successive intervals of not more than one (1) year each. All installments of the purchase price, whether paid in cash or evidenced by notes, shall bear interest at the rate of four per cent (4%) per annum from the date of such death to the date of payment. The buyer may anticipate all or any part of any or all installments. If the buyer shall be other than Baker, the seller may require the Stock purchased to be pledged as security for the payment of the said notes but the buyer shall have full ownership of the Stock purchased, subject to such pledge, including voting rights and rights to dividends.

11. Purchase Price. Except as provided in paragraph "4" above the price for a share of Stock shall be an amount equal to the per share book value of the Stock as determined from Baker's balance sheet prepared by its regular independent auditors as at the end of the fiscal year immediately preceding the offer made pursuant to the provisions of paragraph "2" above, or immediately preceding the date of cessation of employment or death if purchase is made by reason of either of

such events pursuant to the provisions of paragraph "9" or paragraph "10" above, and increased or decreased by such auditors to reflect (i) the results of the operations of the business of Baker for the period subsequent to the end of such preceding fiscal year and to the end of the calendar month immediately preceding the said offer, cessation of employment or death, as the case may be, and (ii) any dividends paid or payable to seller upon the Stock in question subsequent to the end of said calendar month. Such book value shall be determined solely from the books of account of Baker and all assets and liabilities shall be valued in accordance with such books, except that if Baker shall own any stocks in another corporation of which Baker shall own, directly or indirectly more than fifty per cent (50%) of the stock of such other corporation having ordinary voting power for the election of directors (herein called a "subsidiary"), then the book value of the Stock of Baker shall be determined in the manner provided aforesaid on the basis of a consolidated balance sheet of Baker and said subsidiary, eliminating intercompany items, and if Baker shall own any stock of another corporation which is not a subsidiary of Baker but such stock constitutes in excess of ten per cent (10%) of the outstanding capital stock of such other corporation of the class held by Baker then, for the purpose of determining the book value of the Stock of Baker, such stock of such other corporation shall be valued at sixty per cent (60%) of the book value thereof, determined from the balance sheet of such other corporation prepared by its regular independent auditors as at the end of the fiscal year of such other corporation immediately preceding the offer made pursuant to the provisions of paragraph "2" above, or immediately preceding the date of cessation of employment or death if purchase is to be made by reason of either of such events pursuant to the provisions of paragraph "9" or paragraph "10" hereof, and increased or decreased by an amount equal to sixty per cent (60%) of the amount of the increase or decrease in the book value of such stock of such other corporation in said preceding fiscal year multiplied by a fraction of which the numerator shall be the number of calendar months from the end of said preceding fiscal year to the end of said calendar month to which the book value of the Stock of Baker is to be adjusted as aforesaid and of which the denominator shall be 12.

12. Delivery of Stock and Documents. Upon the closing of a sale under the provisions hereof the seller shall deliver to the buyer in exchange for payment by the buyer (in cash or in cash and notes, as the case may be): the certificates of the Stock being sold, endorsed for transfer and bearing the necessary documentary stamps, and such assignments, certificates of authority, tax releases, consents to transfer, instruments, and evidence of the title of seller and of his compliance with this agreement as may be required by counsel for the buyer.

13. Failure to Exercise Options. Failure of Baker or a Stockholder to elect to purchase all or any part of the Stock of a Stockholder pursuant to paragraphs "9" or "10" above shall not be deemed to release such Stockholder or the executors or administrators of the estate of such Stockholder, or any other person whatever, from the requirement of making a proper offer pursuant to the provisions hereof prior to any transfer of such Stock. However, if the executors or administrators of the estate of a deceased Stockholder shall make a proper offer of Stock Pursuant to paragraph "2" above, they shall be released from any obligation to sell such Stock under paragraph "10" above to the extent that such Stock is properly transferred to the person named in the notice of said offer as provided in paragraph "5" above.

14. Acceptance by More Than One Offeree or Optionee. In the event Baker and/or one or more Stockholders having a right or option to buy Stock shall accept an offer or exercise an option to buy Stock in any instance, Baker shall have prior right of purchase. Offerees or optionees other than Baker accepting an offer or exercising an option shall be entitled to purchase in proportion to their holdings of Stock, unless they otherwise agree. If Baker shall be obligated to purchase any shares of Stock by reason of an election made by a Stockholder ceasing to be an employee of Baker or an election by the executors or the administrators of the estate of a deceased Stockholder, pursuant to paragraphs "9" or "10" above, such obligation of Baker to purchase shall take precedence over any right of purchase by any Stockholder who may have elected to purchase such Stock. No Stockholder may assign, except to Baker, his right or option to purchase Stock in any instance under the provisions hereof.

15. Specific Performance. If any person so required pursuant hereto fails to give a notice, make an offer, sell Stock or close a sale; or if any person acquires Stock in any manner without a required prior offer having been made or if any person fails to disclose to Baker and the Stockholders then holding Stock the price paid by him for Stock, if less than the price under paragraph "11" above; or if any person who proposes to transfer Stock for a price less than the price under said paragraph "11" fails to disclose to Baker and the Stockholders then holding Stock the price and terms on which he proposes to transfer the Stock; in any such event, if the failure continues for ten (10) days after notice to the one in default by Baker or any Stockholder, Baker or any Stockholder then holding Stock may institute and maintain a proceeding to compel the specific performance of the terms hereof by the one in default.

16. Endorsement on Stock Certificates. Each certificate of Stock issued by Baker shall be endorsed as follows:

Notice

The stock evidenced by this Certificate is subject to the restrictions on transfer and the purchase options and obligations stated in, and is transferrable only upon compliance with, the provisions of the Certificate of Incorporation of H. J. Baker & Bro., Inc. stated on the reverse side hereof and the provisions of the agreement among H. J. Baker & Bro., Inc. (a New York corporation) and the shareholders thereof which is dated October 31, 1959.

17. Transfers of Record. Baker shall not transfer or reissue any shares of Stock in violation of the foregoing provisions or without requiring proof of compliance therewith.

FIFTH: The name and mailing address of the incorporator is as follows:

Howard N. Lefkowitz, Esq.
Proskauer Rose Goetz & Mendelsohn
1585 Broadway
New York, New York 10036

SIXTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of §291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of §279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

SEVENTH: A Director of this Corporation shall not be personally liable to the Corporation or its stockholders for

monetary damages for the breach of any fiduciary duty as a director, except in the case of (a) any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (c) under section 174 of the General Corporation Law of the State of Delaware or (d) for any transaction from which the director derives an improper personal benefit. Any repeal or modification of this Article by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

EIGHTH: The following provisions are inserted for the regulation and conduct of the affairs of the Corporation and it is expressly provided that they are intended to be in furtherance of and not in limitation or exclusion of the powers conferred by statute:

(a) The Board of Directors may adopt a plan or plans for compensation or additional compensation for directors, officers and employees of the Corporation, or any of them, providing for payment, in whole or in part, for services rendered to the Corporation, based upon earnings, profits or sales of the Corporation or upon any other incentive basis determined as the Board of Directors in its discretion may see fit.

(b) No contract or other transaction of the Corporation shall be affected or invalidated by the fact that any of the directors of the Corporation are in any way interested in or connected with any party to such contract or transaction or are themselves parties to such contract or transaction, provided that the interest in any such contract or transaction of any such director shall at the time be fully disclosed or otherwise known to the Board of Directors; and each and every person who may become a director of the Corporation is hereby relieved from any liability that might otherwise exist from contracting with the Corporation for the benefit of himself or any firm, association or corporation in which he may be in any wise interested. Any director of the Corporation may vote and act upon any matter, contract or transaction between the Corporation and any subsidiary, parent, or affiliated corporation or corporations, without regard to the fact that he is also a stockholder, director or officer of, or has any interest in, such other corporation or corporations. Any contract or other transaction of the Corporation or of the Board of Directors or of any committee thereof which shall be ratified by a majority of a quorum of the stockholders entitled to vote at any annual meeting or any special meeting called for the purpose shall, except as otherwise provided by law, be as valid and as binding as though ratified by every stockholder of the Corporation; provided, however, that any failure of the stockholders to approve or ratify such contract or other transaction, when and if submitted,

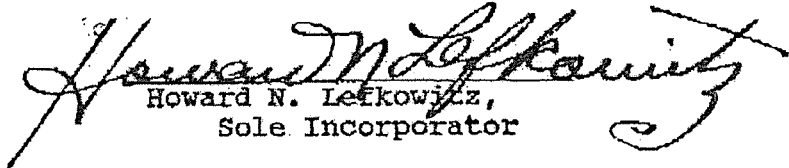
shall not be deemed in any way to render the same invalid or to deprive the directors and officers of their right to proceed with such contract or other transaction.

NINTH: The Corporation shall, to the fullest extent permitted by law, as the same is now or may hereafter be in effect, indemnify each person (including the heirs, executors, administrators and other personal representatives of such person) against expenses including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by such person in connection with any threatened, pending or completed suit, action or proceeding (whether civil, criminal, administrative or investigative in nature or otherwise) in which such person may be involved by reason of the fact that he or she is or was a director or officer of the Corporation or is or was serving any other incorporated or unincorporated enterprise in such capacity at the request of the Corporation.

TENTH: The number of directors of the Corporation shall be fixed by, or in the manner provided in, the by-laws of the Corporation, but shall not be less than three (3). Directors need not be stockholders. Unless, and except to the extent that, the by-laws of the Corporation shall so require, the election of Directors of the Corporation need not be by written ballot.

ELEVENTH: The Corporation hereby confers the power to adopt, amend or repeal by-laws of the Corporation upon the Board of Directors.

23rd IN WITNESS WHEREOF, I have hereunto set my hand this
day of August, 1994.

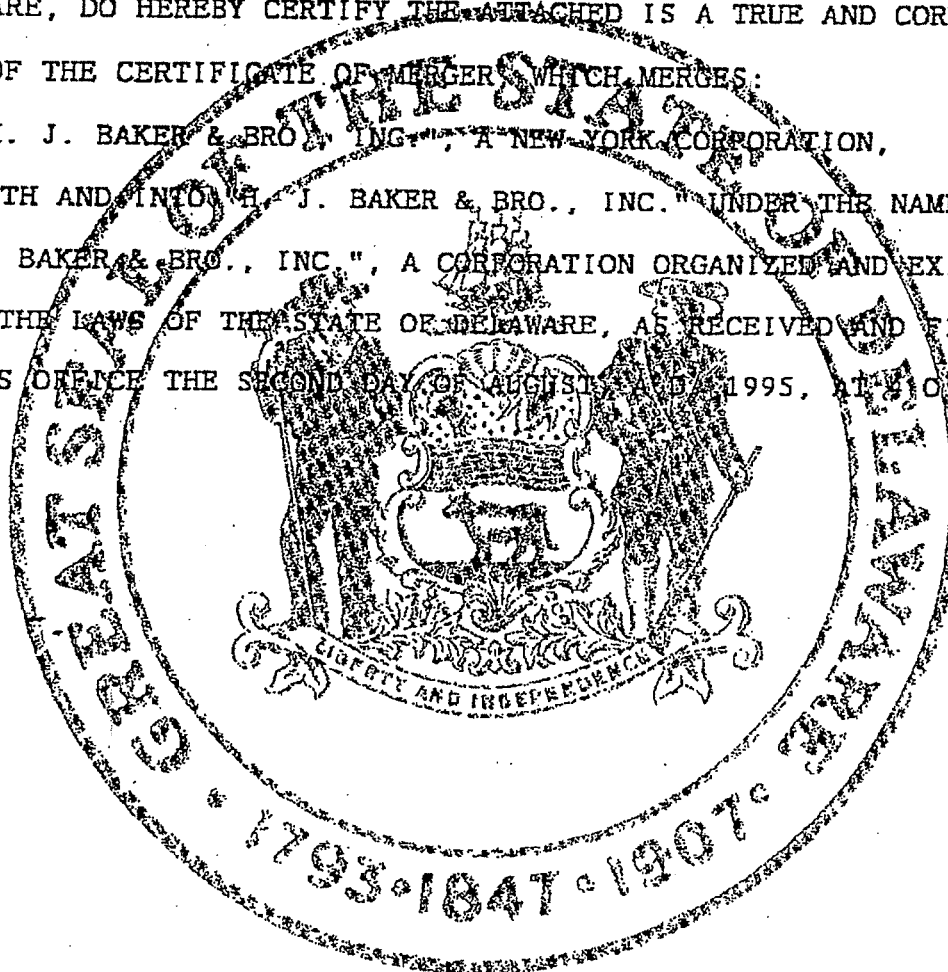

Howard N. Leikowitz,
Sole Incorporator

State of Delaware
Office of the Secretary of State PAGE 1

H.J. BAKER RESPONSE - EXHIBIT K

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER WHICH MERGES:

"H. J. BAKER & BRO., INC.", A NEW YORK CORPORATION,
WITH AND INTO "H. J. BAKER & BRO., INC." UNDER THE NAME OF
"H. J. BAKER & BRO., INC.", A CORPORATION ORGANIZED AND EXISTING
UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED
IN THIS OFFICE THE SECOND DAY OF AUGUST, 1995, AT 10 O'CLOCK
P.M.



Edward J. Freel

Edward J. Freel, Secretary of State

AUTHENTICATION:

2429794 8100M

DATE: 7827394

960043087

02-14-96

CERTIFICATE OF MERGER

-of-

H. J. Baker & Bro., Inc.

(a New York corporation)

-with and into-

H. J. Baker & Bro., Inc.

(a Delaware corporation)

Under Section 252 of the General Corporation Law
of the State of Delaware

It is hereby certified that:

1. The constituent business corporations
participating in the merger herein certified are:

(a) H. J. Baker & Bro., Inc., which is
incorporated under the laws of the State of Delaware (hereinafter
called "Baker Delaware"); and

(b) H. J. Baker & Bro., Inc., which is
incorporated under the laws of the State of New York (hereinafter
called "Baker New York").

2. An Agreement of Merger has been approved, adopted,
certified, executed and acknowledged by each of the aforesaid
constituent corporations in accordance with the provisions of
subsection (c) of Section 252 of the General Corporation Law of
the State of Delaware, to wit, by Baker Delaware in the same
manner as is provided in Section 251 of the General Corporation
Law of the State of Delaware and by Baker New York in accordance
with the laws of the State of its incorporation.

3. The name of the surviving corporation in the
merger herein certified is H. J. Baker & Bro., Inc., incorporated
under the laws of the State of Delaware (i.e., Baker Delaware),
which will continue its existence as said surviving corporation
under its present name upon the effective date of said merger
pursuant to the provisions of the General Corporation Law of the
State of Delaware.

4. The Certificate of Incorporation of Baker
Delaware, as now in force in effect, shall continue to be the
Certificate of Incorporation of said surviving corporation until

amended and changed pursuant to the provisions of the General Corporation Law of the State of Delaware.

5. The executed Agreement of Merger between the aforesaid constituent corporations is on file at the principal place of business of the aforesaid surviving corporation, the address of which is as follows:

H. J. Baker & Bro., Inc.
595 Summer Street
Stamford, Connecticut 06901

6. A copy of the aforesaid Agreement of Merger will be furnished by the aforesaid surviving corporation, on request, and without cost, to any stockholder of each of the aforesaid constituent corporations.

7. With respect to Baker New York, the authorized capital stock of such corporation before the merger certified herein was 6,545 shares, all of which are one class and are Common Stock, and all of which are entitled to vote, with a par value of \$1.00.

Signed and attested to on August 26, 1994.

H. J. BAKER & BRO., INC., a
New York corporation

By: J. Morse Smith
J. Morse Smith, Chairman
of the Board

Attest:

By: Mary E. Deegan
Mary E. Deegan, Secretary

H. J. BAKER & BRO., INC., a
Delaware corporation

By: J. Morse Smith
J. Morse Smith, Chairman
of the Board

Attest:

By: Mary E. Deegan
Mary E. Deegan, Secretary

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"H. J. BAKER & BRO., INC.", A NEW YORK CORPORATION,
WITH AND INTO "H. J. BAKER & BRO., INC." UNDER THE NAME OF
"H. J. BAKER & BRO., INC.", A CORPORATION ORGANIZED AND EXISTING
UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED
IN THIS OFFICE THE SECOND DAY OF AUGUST, A.D. 1995, AT 4 O'CLOCK
P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO
THE KENT COUNTY RECORDER OF DEEDS FOR RECORDING.



Edward J. Freel, Secretary of State

2429794 8100M

950174582

AUTHENTICATION: 7598468

DATE: 08-07-95

F 950802000514

CERTIFICATE OF MERGER

-of-

H. J. Baker & Bro., Inc.
(a New York corporation)

-into-

H. J. Baker & Bro., Inc.
(a Delaware corporation)

(Under Section 907 of the Business Corporation Law
of the State of New York)

It is hereby certified, upon behalf of each of the
constituent corporations herein named, as follows:


FIRST: The Board of Directors of each of the constituent
corporations has duly adopted a plan of merger setting forth the
terms and conditions of the merger of said corporations.

SECOND: The name of the foreign constituent corporation,
which is to be the surviving corporation, and which is hereinafter
sometimes referred to as the "surviving constituent corporation," is
H. J. Baker & Bro., Inc. The jurisdiction of its incorporation is
Delaware; and the date of its incorporation therein is August 25th,
1994. No application for authority for the surviving constituent
corporation to transact business as a foreign corporation has been
filed by the Department of State of the State of New York and the
surviving constituent corporation will not do business in the State
of New York until such application for authority has been filed.

THIRD: The name of the domestic constituent corporation,
which is being merged into the surviving constituent corporation, and
which is hereinafter sometimes referred to as the "merged constituent
corporation," is H. J. Baker & Bro., Inc. The date upon which its
original certificate of incorporation was filed by the Department of
State is October 26, 1959.

FOURTH: With respect to the surviving constituent
corporation, the designation and number of authorized shares is 6,545
shares, \$1.00 par value, all of which are one class and are Common
Stock, and all of which are entitled to vote.

With respect to the merged constituent corporation, the
designation and number of authorized shares is 10,154 shares, 6,545
shares of which are Common Stock of \$1.00 par value per share and are
entitled to vote, and 3,609 shares of which are Preferred Stock of
\$100.00 par value per share and are not entitled to vote.

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FIFTH: Each issued and outstanding share of Common Stock of the terminating corporation shall, upon the effective time of the merger, without any action on the part of the holder thereof, be converted into one share of Common Stock of the surviving corporation. The issued and outstanding shares of the surviving corporation shall not be converted in any manner, but each said share, if any, which is issued and outstanding as of the effective time of the merger shall be cancelled and extinguished without any further action on the part of the holder thereof.

SIXTH: The merger herein certified was authorized in respect of the merged constituent corporation by the written consent of the holders of two-thirds of the outstanding shares of the corporation entitled to vote on the plan of merger, in accordance with Section 903(a) of the New York Business Corporation Law.

SEVENTH: The merger herein certified is permitted by the laws of the jurisdiction of incorporation of the surviving constituent corporation and is in compliance with said laws.

EIGHTH: The surviving constituent corporation agrees that it may be served with process in the State of New York in any action or special proceeding for the enforcement of any liability or obligation of the merged constituent corporation for which the merged constituent corporation was previously amenable to suit in the State of New York, and for the enforcement, as provided in the Business Corporation Law of the State of New York, of the right of shareholders of the merged constituent corporation to receive payment for their shares against the surviving constituent corporation.

NINTH: The surviving constituent corporation agrees that, subject to the provisions of Section 623 of the Business Corporation Law of the State of New York, it will promptly pay to the shareholders of the merged constituent corporation the amount, if any, to which they shall be entitled under the provisions of the Business Corporation Law of the State of New York relating to the rights of shareholders to receive payment for their shares.

TENTH: The surviving constituent corporation hereby designates the Secretary of State of the State of New York as its agent upon whom process against it may be served in the manner set forth in paragraph (b) of Section 306 of the Business Corporation Law of the State of New York in any action or special proceeding. The post office address within the State of New York to which the said Secretary of State shall mail a copy of any process against the surviving corporation served upon him or her is:

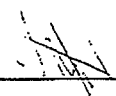
Howard N. Lefkowitz, Esq.
c/o Proskauer Rose Goetz & Mendelsohn
1585 Broadway
New York, New York 10036

ELEVENTH: The designation and number of outstanding shares of each class of each corporation to be merged is as follows: the merged constituent corporation has three thousand nine hundred ninety-four (3,994) shares of common stock outstanding of the merged constituent corporation's common stock and the surviving constituent corporation has one (1) share outstanding of the surviving constituent corporation's common stock. None of such shares are owned by the surviving corporation.

IN WITNESS WHEREOF, we have subscribed this document on the date set forth below and do hereby affirm, under the penalties of perjury, that the statements contained therein have been examined by us and are true and correct.

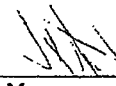
Date: August 26, 1994

H. J. BAKER & BRO., INC.
a New York corporation

By: 
J. Morse Smith, Chairman
of the Board

By: Mary E. Deegan
Mary E. Deegan, Secretary

H. J. BAKER & BRO., INC.
a Delaware corporation

By: 
J. Morse Smith,
Chairman of the Board

By: Mary E. Deegan
Mary E. Deegan, Secretary

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CERTIFICATE OF MERGER

OF

H. J. BAKER & BRO., INC.
(a New York corporation)

into:

H. J. BAKER & BRO., INC.
(a Delaware corporation)

under Section 907 of the Business Corporation law

Proskauer Rose Goetz Mendelson
1585 Broadway
New York, New York 10036-8299

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STATE OF NEW YORK
DEPARTMENT OF STATE

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Plan and Agreement of Merger

of

H. J. Baker & Bro., Inc.
(a New York corporation)

with and into

H. J. Baker & Bro., Inc.
(a Delaware corporation)

PLAN AND AGREEMENT OF MERGER adopted on August 26, 1994 by H. J. Baker & Bro., Inc., a business corporation of the State of New York, and by its Board of Directors on said date, and adopted on August 26, 1994 by H. J. Baker & Bro., Inc., a business corporation incorporated under the laws of the State of Delaware, and by its Board of Directors on said date.

1. The participating corporations, shall, pursuant to the provisions of the Business Corporation Law of the State of New York, and the provisions of the law of the State of New Delaware, be merged with and into a single corporation, to wit, H. J. Baker & Bro., Inc., a Delaware business corporation, which shall be the surviving corporation upon the effective date of the merger and which is sometimes hereinafter referred to as the "surviving corporation", and which shall continue to exist as said surviving corporation under its present name pursuant to the laws of the jurisdiction of its incorporation. The separate existence of H. J. Baker & Bro., Inc., a New York business corporation, which is sometimes hereinafter referred to as the "terminating corporation", shall cease upon the effective date of the merger in accordance with the provisions of the Business Corporation Law of the State of New York.

2. With respect to the surviving constituent corporation, the designation and number of outstanding shares is 3,994 shares, all of which are one class and are Common Stock, and all of which are entitled to vote.

With respect to the merged constituent corporation, the designation and number of outstanding shares is 3,994 shares, all of which are one class and are Common Stock, and all of which are entitled to vote.

3. The certificate of incorporation of the surviving corporation upon the effective date of the merger will be the certificate of incorporation of said surviving corporation and

will continue in full force and effect until changed, altered or amended as therein provided and in the manner prescribed by the provisions of the laws of the jurisdiction of its incorporation.

4. The by-laws of the surviving corporation upon the effective date of the merger will be the by-laws of said surviving corporation and will continue in full force and effect until changed, altered or amended as therein provided and in the manner prescribed by the provisions of the laws of the jurisdiction of its incorporation.

5. The directors and officers in office of the surviving corporation upon the effective date of the merger shall be the members of the first Board of Directors and the first officers of the surviving corporation, all of whom shall hold their directorships and offices until the election and qualification of their respective successors or until their tenure is otherwise terminated in accordance with the by-laws of the surviving corporation.

6. Each issued and outstanding share of Common Stock of the terminating corporation shall, upon the effective date of the merger, without any action on the part of the holder thereof, be converted into one (1) share of Common Stock of the surviving corporation. The issued and outstanding shares of the surviving corporation shall not be converted in any manner, but each said share, if any, which is issued and outstanding as of the effective time of the merger shall be cancelled and extinguished without any further action on the part of the holder thereof.

7. The Plan of Merger herein made and adopted shall be submitted to the shareholders of the terminating corporation for their adoption or rejection in the manner prescribed by the provisions of the Business Corporation Law of the State of New York, and the merger of the terminating corporation with and into the surviving corporation shall be authorized in the manner prescribed by the laws of the jurisdiction of incorporation of the surviving corporation.

8. In the event that the Plan of Merger shall have been adopted by the shareholders entitled to vote of the terminating corporation in the manner prescribed by the provisions of the Business Corporation Law of the State of New York, and in the event that the merger of the terminating corporation with and into the surviving corporation shall have been duly authorized in compliance with the laws of the jurisdiction of incorporation of the surviving corporation, the terminating corporation and the surviving corporation hereby stipulate that they will cause to be executed and filed and/or

recorded any documents or documents prescribed by the laws of the State of New York and of the State of Delaware, and that they will cause to be performed all necessary acts therein and elsewhere to effectuate the merger.

9. The Board of Directors and the proper officers of the terminating corporation and of the surviving corporation, respectively, are hereby authorized, empowered, and directed to do any and all acts and things, and to make, execute, deliver, file, and/or record any and all instruments, papers, and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions of this Plan of Merger or of the merger herein provided for.

10. This Plan and Agreement constitutes a plan of reorganization pursuant to Section 368(a)(1)(F) of the Internal Revenue Code.